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HOUSE OF COMMONS

Tuesday, June 7, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

JUSTIFICATION FOR INCREASED FREIGHT RATES ON POTATOES AND REQUEST FOR SUBSIDIES—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In view of the announcement by Canadian National that it intends to force inappropriate equipment on the maritime potato trade which will result in a significant loss of jobs in the agricultural sector of the region, in view of the fact that freight rates on potatoes shipped to the region's primary market in central Canada will rise 35 per cent in one year, costing Prince Edward Island producers alone an additional $1 million, and in view of the announcement of the Minister of Transport (Mr. Lang) of an Atlantic provinces transportation program which seriously downgrades federal support of rail freight traffic, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That officials of Canadian National be called before the Standing Committee on Transport and Communications to justify these actions; that the Minister of Transport immediately bring in interim subsidies to offset the potato freight rate increase; and that the Minister of Regional Economic Expansion (Mr. Lessard) give urgent attention to the negative impact of the declining rail service and increased rates in the economies of Prince Edward Island and New Brunswick.

Mr. Speaker: Standing Order 43 requires unanimous consent of the House for the presentation of such a motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

ALLEGATION BY DR. BROOKS BUREAUCRATIC SLOW MOTION STALLS CONSERVATION PROGRAM—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the minister of energy but in his absence I will direct it either to the acting minister, if there is one, or to the Acting Prime Minister. My question to the Acting Prime Minister relates to statements printed recently in the Toronto *Star* by Dr. David Brooks, who was recently a senior energy adviser on conservation matters to the Department of Energy, Mines and Resources and a man whom the minister responsible recently described as having served the department and Canadians extremely well. In his article Dr. Brooks stated that bureaucratic slow motion continues to stall development of fair and effective energy conservation programs. In light of that condemnation of the government's action on energy conservation by the man in Canada who is in the best position to know, will the Acting Prime Minister tell the House of Commons whether the government accepts Dr. Brooks' criticisms and intends to adjust federal policies to meet the targets and the sense of urgency in energy matters which Dr. Brooks indicates?

• (1410)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I expect the Minister of Energy, Mines and Resources to be in the House momentarily and perhaps the Leader of the Opposition would get a more detailed and satisfactory answer if he put the question to the minister when he comes.

Mr. Clark: Mr. Speaker, I am quite willing to defer, but I might make the point that we expect ministers of the Crown to be in the House at 2 p.m. when the House meets.

Some hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—ALLEGED RECEIPT OF TELEGRAM ATTACHING RESPONSIBILITY TO FORCE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Solicitor General I should like to direct my question to the Acting Prime Minister.

Some hon. Members: Oh, oh!

An hon. Member: And in everybody's absence.

Mr. Hnatyshyn: Last Thursday, in an attempt to split hairs, the Prime Minister said that the letter sent by L'Agence de Presse Libre to the then solicitor general, at present Minister of Supply and Services, did not refer to the RCMP but rather spoke only of the police. It is worth noting that appended to the letter, the then solicitor general also received a telegram

sent to the RCMP in Montreal specifically asking whether the RCMP was responsible for the break-in. I should like to ask the Acting Prime Minister whether or not this particular fact has been brought to the attention of the government by the Minister of Supply and Services, and whether or not, included in the statement to be made by the Solicitor General there will be an explanation as to why the then solicitor general did not investigate, when he in fact received the specific notice by virtue of the telegram, that the RCMP were directly involved in the raid?

Hon. Allan J. MacEachen (Acting Prime Minister): I believe the hon. member is already aware that it is the intention of the Solicitor General to make a statement on this matter following the sentencing that is expected to take place this week or next, and therefore I will draw to the minister's attention the additional information that the hon. member requires and suggests that he includes it in the statement. In the meantime, it is not my intention to add any further comments on this question.

BREAK-IN AT JAMES, LEWIS AND SAMUEL—REQUEST FOR STATEMENT BY MINISTER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): When the Acting Prime Minister is discussing the matter with the Solicitor General—and maybe he will now answer the question—will he ask whether, included in the statement the Solicitor General is going to make in the House with respect to the activity of the RCMP in this particular break-in, will be a statement with respect to the break-in in 1971 into the offices of James, Lewis and Samuel, a publishing company, in which files were also stolen? Can we have an undertaking from the Acting Prime Minister that included in the statement by the Solicitor General on June 9 there will be a statement with respect to that incident as well?

Hon. Allan J. MacEachen (Acting Prime Minister): I will be discussing the statement with the minister and I will ensure, as I am sure it is his intention, that he makes it as comprehensive as possible.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—AVAILABILITY OF FORMER MINISTER AT TIME STATEMENT IS MADE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a final supplementary question. In view of the actions of the Minister of Supply and Services and the fact that he released a press statement even though a statement was to be made by the Solicitor General—he decided unilaterally to make a statement and leave the country—and in view of the fact that this situation appears to bear strong similarities to an occurrence some two years ago when the Minister of Supply and Services tried to blame his staff for not communicating information to him, I wonder whether the Acting Prime Minister would get an undertaking that the Minister of Supply and Services will make a statement in the House and will be available for examination with respect to this very important matter so that we can examine him as well as the Solicitor General at that time?

[Mr. Hnatyshyn.]

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the Solicitor General is responsible for reporting to the House on these questions, and he will do so in the customary way.

* * *

ENERGY

ALLEGATION BY DR. BROOKS BUREAUCRATIC SLOW MOTION STALLS CONSERVATION PROGRAM—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, now that the Minister of Energy, Mines and Resources is here, I would like to put to him a question relating to statements made in the Toronto *Star* by Dr. David Brooks, who is well known to the minister as an expert on energy conservation in the country. Dr. Brooks said that bureaucratic slow motion continues to stall development of fair and effective energy conservation programs for Canada. I wonder if the minister would tell the House very simply whether he accepts that fundamental criticism of Dr. Brooks and whether he intends to change government policy to reach the standards and the sense of urgency that Dr. Brooks' article communicates?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I agree with the Leader of the Opposition that Dr. Brooks is a very distinguished scientist in the area of energy conservation. I believe he was reflecting the frustrations of those who have been part of a very small group, and a very effective group, which has not been able to move its particular concerns faster than all the other competing claims within a very large department.

I think it is also quite clear that the target which was set by the government in the energy strategy a year ago of reducing the increase in our energy consumption to less than 3.5 per cent—and this is perhaps the sense of frustration he feels—and down to 2 per cent, which I have interpreted as a zero rate of growth per capita by 1985, is a desirable objective which is yet to be fully substantiated as possible by the economists. I think Dr. Brooks would agree with me that it is important, before we adopt a target of that kind, that we are sure of all the implications and whether in fact it is attainable. My own view—and I have stated this before—is that we should be able to approach, if not achieve, a zero rate of growth per capita in energy consumption by 1985.

REASON FOR FAILURE TO IMPLEMENT COMMITMENTS ON CONSERVATION PROGRAM

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, the minister's own views are obviously irrelevant here because he has just admitted to the House of Commons that the frustration of Dr. Brooks is due to the fact that energy conservation has such a low place on the totem pole of priority in his department that Dr. Brooks had to quit.

I would like to ask the minister to become specific for a moment. In the 1976 energy conservation program a number of objectives were defined which Dr. Brooks has properly pointed out have not been acted upon. He lists the lack of monitoring or enforcement of provisions for automobile mileage standards. He points out that in 15 months there have been no appliance efficiency standards, and no labelling plans have been announced. He asks where the minister's proposed studies on energy efficiency for air and public transit have gone. The House of Commons would like to have answers to those specific questions, and it would like to know why in 15 months the minister has not moved on those specific priorities spelled out in his own policy.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it is quite untrue to suggest that nothing is happening with respect to mileage standards. The government made it very clear that it has adopted a standard of roughly 24 miles per gallon by 1980. We have every reason to believe that that will be reached. The automobile manufacturing companies are co-operating. By 1985 that mileage standard on a fleet average will be about 33 miles to the gallon, representing in over-all terms quite an increased efficiency, almost double the efficiency we had a year ago. In other words, we will get twice as many miles per gallon of gas or we will use half as much gas to go the same distance. That policy is in place, so to suggest that the government has not acted on that is quite erroneous.

With respect to the question of labelling, that policy is also well on the way. The Leader of the Opposition might like to address a question to the Minister of Consumer and Corporate Affairs, whose department is responsible for this aspect of the program.

Similarly, action has been taken with respect to insulation standards. That has been discussed. I am sure the Leader of the Opposition would be the first to criticize the government if we produced a set of standards through the National Research Council which had not first been discussed fully and thoroughly with the provinces and gained their acceptance for them. That process has been going on and I think it will be possible to announce new standards within a week or two. Similarly, we have taken action in the area of home insulation in the maritimes. I think it is wrong of the Leader of the Opposition to suggest there is no sense of urgency and that this government has not taken action in the area of energy conservation.

● (1420)

SUGGESTED EXTENSION OF HOME INSULATION PROGRAM AS MEANS OF CONSERVATION

Mr. Joe Clark (Leader of the Opposition): What the minister has suggested is that after waiting 15 months we should wait another week because they might have an announcement to make then. Regarding the home insulation program may I ask the minister if he has given consideration to phasing in an extension of that program outside of the two—and I emphasize two—provinces in Atlantic Canada where there is now a program in place? In particular is he following the suggestion of my colleague, the hon. member for St. John's West, that priority should be given to phasing in that insulation program in high unemployment areas of the country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I realize the Leader of the Opposition has been out of the House a good deal recently. I realize he has had other things on his mind and has not been present for the question period. If he had been in the House over the last month he would realize that question has been put to me and I have answered it on at least three occasions.

Mr. Clark: Mr. Speaker, for the edification of those Canadians in high unemployment areas who might benefit from any phase-in program, could the minister bring himself to answer the question once again, concretely?

Mr. Gillespie: Mr. Speaker, perhaps the Leader of the Opposition would read *Hansard*—concretely.

ALLEGED MEMORANDUM TO CABINET SUGGESTING CONSERVATION PROGRAM WOULD ELIMINATE NEED FOR FRONTIER EXPLORATION FOR OIL AND GAS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, even if the hon. minister is in the House, he is really out of it. I have a supplementary question for the minister. Did members of the staff of the Department of Energy, Mines and Resources prepare a memorandum which went to Cabinet and which argued that a sound energy conservation program could eliminate the need for a risky exploration for oil and gas on Canada's frontiers and which claimed that an efficiency oriented program could cut the growth of energy demand in half between now and the year 2000? Did such a memorandum go to Cabinet and is it not a fact that Cabinet rejected the suggestion?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member knows that ministers are not in a position to discuss or comment upon documents that have come before Cabinet. I want to make the point that I would hope the people in my department would be putting such position papers together for the consideration of officials of the department and for my consideration. I think that kind of activity is very important.

EFFECTIVENESS OF GOVERNMENT'S "SAVE-10" PROGRAM

Mr. John C. Crosbie (St. John's West): A further supplementary question, Mr. Speaker. To be more specific, the minister promised on behalf of the government last year that the government would lead by example with a "Save-10" program to reduce energy consumption of government by 10 per cent and to hold it at that level for ten years. We are now in the middle of 1977 and we still see ministers going around in gargantuan gas guzzling cars which are also air conditioned. Would the minister tell the House whether he has achieved the "Save-10" target of last year and if the target is likely to be

achieved this year. What is happening in connection with that statement?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I hope to be making a comprehensive statement on this subject in the near future. I can say, however, that as a result of that program and the co-operation of departments of the federal government as well as of the House of Commons and its staff, there has been a very significant saving over this past year. It is a saving which runs into the millions of dollars which would not have been saved without the program.

INQUIRY WHETHER HOME INSULATION PROGRAM PUT BEFORE PROVINCES—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources a question regarding the conference he had with provincial energy ministers on May 11. Will the minister confirm that at that conference he put forward an idea in principle for a retrofit or home insulation program which he estimated would cost in the neighbourhood of $1.5 billion spread over seven years? According to the minister's estimate, it would save the equivalent of one and a quarter oil sand plants. Since according to the transcript several provincial ministers were enthusiastic about the proposal, at least two of them saying, "Let's get on with it", I ask the minister if he has received his colleague's authorization to put a definitive proposal for a home insulation program before the provincial governments?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is well briefed on the proceedings of that energy conference. As he knows, it is true that I have long favoured such an approach and long favoured a co-ordinated, co-operative approach to energy conservation in this country. I took that position from the start. I have already talked with some provincial ministers and in the next few days will be holding further discussions with provincial ministers. I hope it will be possible to work out with them a set of undertakings which provincial governments would give if it is possible for the federal government to decide in favour of the significant program to which the hon. member referred.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Since it is apparent that lack of authorization from his colleagues and not lack of co-operation from the provincial governments is the obstacle to going ahead with the program—

Mr. Macdonald (Rosedale): How do you know?

Mr. Douglas (Nanaimo-Cowichan-The Islands): —even though when answering previous questions the minister said that the large sums of money involved are the obstacle; since according to his own figures the $1.5 billion program would cost slightly more than $215 million a year if spread over seven years, I ask, does he not think it worthwhile to make an investment of $215 million each year, which, according to his own figures would save us some 2.5 billion gallons of oil per year, a saving of $1.25 billion annually, save as well $750 million on imports, plus relieve us of the necessity of building another tar sands plant. Is this not a good investment? Can the minister not persuade that hard-headed Scot who sits as the Minister of Finance that this would be the best investment the government could make?

Mr. Hnatyshyn: I do not accept your description of the Scot.

Mr. Gillespie: Mr. Speaker, we have heard the hon. gentleman's representations before. That he makes strong representations is well known and understood by my colleagues. We are giving the matter consideration.

LENGTH OF TIME SUBSIDIZATION OF SYNCRUDE PRODUCT WILL CONTINUE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. At the same energy ministers conference the Minister of Energy, Mines and Resources said that when the Syncrude plant goes on stream next year, the government will be required to subsidize that plant's production in order that it can be paid the promised international price. Does that still stand? And, though the minister indicated that the government intends to go up to the international price, he has always qualified that statement by saying we would not go above the United States price, which is below the world price. Does that mean that the government intends to continue subsidizing the product of the Syncrude plant even after we have reached the United States price, and does that not indicate the real savings we can make if the minister can persuade his colleagues to put in place the home insulation program?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the commitment to the world price stands. As for the hon. member's interpretation regarding the world price exceeding the United States price, or more particularly exceeding the present Canadian price and the requirement of a subsidy from the Consolidated Revenue Fund, that subsidy will be paid in the national interest.

* * *

• (1430)

[*Translation*]

INDUSTRY

INQUIRY WHETHER GOVERNMENT INTENDS TO ASSIST FURNITURE MANUFACTURERS IN QUEBEC—MINISTER'S POSITION

Mr. André Fortin (Lotbinière): Mr. Speaker, I shall direct my question to the Minister of Industry, Trade and Commerce.

Some time ago the minister took part—indeed we took part together—in an important meeting or seminar in Victoriaville

on the furniture industry, and since then that industry, which is the main industry of the region, is facing increasingly serious difficulties, particularly due to imports and the need for industries to market their products in common. Could the minister tell the House if he has had time, since the seminar, to make a very careful examination of that problem, and has he already worked out ways to help those companies?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, we asked for a report on the situation of the furniture industry and the hon. member, who was with me in Victoriaville, knows that the report was already examined jointly by officials of my department and the members of the Quebec Furniture Manufacturers' Association but I have had no final answer as yet. However, as soon as that study is completed, it will be a pleasure for me to inform the hon. member.

Mr. Fortin: Mr. Speaker, I understand the minister's position but he will also understand the importance of this question on a situation which becomes worse each day. Would the minister be prepared to have a civil servant of his department get in touch as soon as possible with the leaders of the Quebec Furniture Manufacturers' Association to take stock of what happened since the workshop and take urgent action in this area if possible?

Mr. Chrétien: I shall be pleased to do so, Mr. Speaker.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM NATIONAL ASSEMBLY OF FRANCE

Mr. Speaker: Order, please. Before recognizing another hon. member, I want to mention the presence in the gallery of the French delegation to the 11th meeting of the Canada-France Interparliamentary Association, headed by a member of the National Assembly, Mr. Émile Bizet.

* * *

[*English*]

INTERNATIONAL BOUNDARY WATERS TREATY

PROPOSED NEGOTIATIONS WITH UNITED STATES TO INCLUDE SALTWATER BODIES WITHIN TREATY

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Secretary of State for External Affairs. It relates to the problem of transboundary pollution. My concern arises from the imminent danger of United States-Canada conflicts over oil tanker traffic into Cherry Point and the extension of Dome's drilling permit in the Beaufort Sea. Will the minister give urgent consideration to opening negotiations with the United States on the extension of the definition of boundary waters in the International Boundary Waters Treaty of 1909 to include saltwater bodies, such as the Strait of Juan de Fuca, through which the Canada-U.S. boundary passes?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is obvious that the hon. member is more familiar with the treaty concerned and the arrangement than I am. I will certainly take this under advisement. In the meantime, I can advise him, as I advised the House last week, that there are quite comprehensive negotiations underway with the United States on a variety of issues related to the problem he has cited.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF COMPENSATION FROM UNITED STATES TO CANADIANS SUFFERING FROM OIL SPILL DAMAGE

Mr. Bob Wenman (Fraser Valley West): On May 19 I asked the Acting Prime Minister to investigate interim compensation provisions for Canadian victims of pollution of our west coast by United States. On June 2, my colleague, the hon. member for Surrey-White Rock asked the Secretary of State for External Affairs a question and he replied that he would have an answer ready for us the next day. I now ask the minister, will Canadian victims of oil spill damage be eligible for compensation under United States legislation and has or will the government of Canada make representation to the United States government to this effect or bring in comparable compensation legislation to protect the fisheries and foreshore of British Columbia?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I say once again, with the greatest of respect for the hon. member's justifiable concern, that obviously an answer given orally on this may well lead to some misunderstanding in the event of claims and so on. I would prefer if the hon. member and others who have asked this question would agree that I provide a written answer which would be the considered response. I think it is now in the process of preparation. If not, I will see that it is done immediately.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP MEETING ON OIL SPILLS ON PACIFIC COAST—REQUEST FOR REPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, will the Secretary of State for External Affairs say whether he has had any kind of a report, even an informal one, from the recent meeting in Victoria of the Canada-U.S. interparliamentary group when they were considering this very important matter of oil spills in that area? They made the recommendation that a joint approach be made possible, even a joint bilateral agreement covering such matters as clean-up facilities properly located, a multi-million dollar compensation fund, the question of liability, traffic controls, construction and crewing standards, not to mention research into oil carriage technologies as they might affect the choice of oil ports. If he has not heard, is he prepared to react to this mini-report which I have just given him?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have heard in accordance with the word the hon. member used, informally, from members of the delegation on both sides. I was quite impressed by the obvious degree of mutual agreement there was between the Canadian and United States representatives. I am told that I am to get a written assessment or report on those meetings which will undoubtedly contain these specific suggestions. On the surface, I see nothing about them that we could not move toward achieving. Once I get the formal statement from the Canada-U.S. committee, I will deal with it at once.

* * *

TRANSPORT

REPLACEMENT FOR "WILLIAM CARSON"

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is to the Minister of Transport. It is a follow-up to the one I asked him on Friday with regard to the sinking of the *William Carson*. Can the minister report now? I might say I was very pleased with the positive nature of his original answer and the sympathy he had for the situation. Can the minister now give a more substantive answer with regard to what replacement will be provided for the *William Carson*?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, my officials and the officials of CN Marine have been discussing this matter. It now appears that it may be possible to put the *Ambrose Shea* into this service in place of the *William Carson*, at least throughout June, and have the *Marine Cruiser* go into operation when the ice conditions clear. These, of course, are very temporary arrangements while we look at longer term solutions.

* * *

FISHERIES

STEPS TO RECOVER CERTAIN COSTS FROM FOREIGN FLEETS OPERATING WITHIN 200-MILE ZONE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Fisheries and the Environment. In light of the fact that a schedule of fees to be paid by foreign vessels and foreign nations fishing within 200 miles of the United States coast has been proposed by the United States national oceanographic and atmospheric administration, which it is hoped will enable the United States to recover about 40 per cent of the cost incurred in permitting foreign vessels within their zone, I ask the minister what steps he is planning to take other than charging Canadians for fishing licences while foreigners are freely catching our resources, in order to recover some of the costs borne by Canadians in providing surveillance, navigational aids and coastguard service to all ships, Canadian and foreign, operating within our economic zone.

[Mr. Munro (Esquimalt-Saanich).]

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, as I said to the hon. member in the Fisheries and Forestry Committee, the decision not to charge fees for 1977 was made on the basis that this was a transition year. The decision was made by myself. We are looking at a possible fee schedule for the coming season, 1978. We are also looking at other possibilities, in place of cash payments. We might prefer research vessels or research capacity which some nations fishing off Canadian shores have in surplus at the moment. We are studying this whole business for 1978.

Mr. Crouse: Since the United States proposed schedule calls for a fixed access fee of $1 per gross registered ton, not to exceed $5,000 per vessel, plus a fee of 3.5 per cent of the total dockside value of the pounds of fish allocated to the nation based on the price paid to United States fishermen, will the minister consider a similar set of fees in order to recover part of the annual costs of research and pollution control administration, enforcement and coastguard services provided to the foreign fleets when they are operating within our 200-mile zone?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we are looking at this type of schedule and others.

* * *

IMMIGRATION

SUGGESTION ANY AGREEMENT WITH QUEBEC CONTAIN PROVISION GRANTING IMMIGRANTS CHOICE OF LANGUAGE

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration. In the recent draft agreement between the federal and Quebec governments on immigration and the discussion with Mr. Couture, did the minister raise the question of linguistic rights of immigrants to Quebec? Further, did he insist that if an agreement were to be formalized that all immigrants entering the province of Quebec be given the choice of learning either of Canada's two official languages?

Hon. Bud Cullen (Minister of Manpower and Immigration): That matter was not discussed, Mr. Speaker.

● (1440)

Mr. Epp: The minister indicated to the House that a joint working committee had been struck in order to prepare final proposals for the formalization of the agreement. Will he insist that those guarantees be included in any agreement which is finalized?

Mr. Cullen: The subject under discussion is wide-ranging and a lot of areas will be considered.

HEALTH

PRESERVATION OF CONFIDENTIALITY OF DOCTOR-PATIENT RELATIONSHIP—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is for the Minister of National Health and Welfare. It has to do with the growth of socialized medicine requiring identification of the patient and his treatment, information which was inviolate before the advent of state medicine but which can be, and has been used by communist countries against patients. My question is: what protection has been provided to preserve the confidentiality of relations between doctors and patients in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member is referring to an area of federal responsibility, I must remind him that as far as the health of civil servants is concerned, quite specific rules compel medical officers to maintain the confidentiality of the medical information they obtain from their patients. In fact, I think the hon. member is concerned about a form which the Ontario Department of Transport is using to request those who are seeking a driver's permit to have their physicians complete a detailed form to be forwarded later to the Ontario Department of Transport. Unfortunately, because this matter is a provincial responsibility, I suggest the hon. member should raise this issue with the Ontario government.

[*English*]

Mr. Rynard: Is the minister aware that the Ontario Medical Association has asked the provincial ministry of health to stop turning over the names of psychiatric patients to the federal government? I want to ask the minister why that practice is being followed.

[*Translation*]

Mr. Lalonde: I understand that the statistical data which are computed under medicare are of a quite general character and do not mention the names of the individuals, but again, I should like to inquire and verify the hon. member's assertion.

* * *

[*English*]

BILINGUALISM

POSSIBILITY OF FEDERAL GOVERNMENT SUGGESTING AMENDMENTS TO QUEBEC'S BILL NO. 1

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to direct a question to the government House leader supplementary to that directed to the Minister of Manpower and Immigration by my hon. friend from Provencher. It has to do with Quebec Bill No. 1. The Minister of Manpower and Immigration told us there has been no discussion with the Quebec authorities with respect to the exercising of linguistic choice by immigrants to Canada. Is any discussion being undertaken between the government of Canada and the government of Quebec in the light of the statement made by culture minister Laurin that amendments might be brought forward to Bill No. 1 in a number of areas—the Francization of business, the precedence of the language law over the charter of human rights as a means of securing compliance with education provisions and so on. The minister told me a week ago that he was not prepared to advise a representative of the government to appear before the Quebec parliamentary commission. My question is this: in the light of the statement by Mr. Laurin and of the obvious reaction to the answer given by the Minister of Manpower and Immigration, does the government intend to take any public initiative with respect to possible amendments or, in the alternative, is the government prepared to make a statement in the House with respect to what amendments might be considered appropriate in the circumstances?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker. At the present time, as the hon. member has pointed out, the bill is before a committee, or commission, as it is called, of the Quebec National Assembly and residents of Quebec and a variety of organizations are making their views known. It seems to us that this would be a most appropriate way to proceed at this stage and that any intervention before the committee would likely be counterproductive.

* * *

INDIAN AFFAIRS

SAFEGUARDING OF JAMES BAY AGREEMENT GRANTING FREE CHOICE OF LANGUAGE—GOVERNMENT ACTION

Mr. Walter Baker (Grenville-Carleton): It will not have been lost on the minister that I am not suggesting that that is the only alternative. I have also suggested to him the possibility of making a statement in the House of Commons with respect to what, I hope, are the concerns of the government in connection with Bill No. 1. On another aspect, may I ask whether the question of Inuit language rights has been resolved? On Friday, the Prime Minister said that this matter had, in accordance with his understanding, been settled but I have since learned that this is not the case and that the Inuit people are not satisfied on the ground that they are not specifically excluded so as to comply with the James Bay agreement. Has any initiative been taken by the government with respect to that aspect? Has any legal opinion been obtained with regard to it? Perhaps the Minister of Indian Affairs and Northern Development will deal with the question specifically.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I met with the President of the Northern Quebec Inuit Association just before lunch. While the Quebec minister has promised to exempt them from Bill No. 1 they have not yet seen the wording of the exemption and they are concerned for this reason. They wish to examine the wording and, if necessary, make some input into it so as to ensure that they are exempted.

Mr. Baker (Grenville-Carleton): I am glad to hear that such a meeting has taken place. Is the hon. gentleman using his offices as a federal minister of the Crown to insist that a concern which I am sure every member of the House regards as a legitimate one, is satisfied in the amendments which will be brought forward by the government of Quebec, according to the culture minister with respect to Bill No. 1?

Mr. Allmand: I told the President of the Northern Quebec Inuit Association and the representatives of the Cree that I would do everything possible, everything they required, to make sure the agreement was fully protected and that it would not be infringed upon by Bill No. 1. We are setting up certain meetings here in Ottawa to explore other possibilities in dealing with this matter. Moreover, I have agreed not to have Bill C-9 proclaimed until all these issues have been settled.

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HEALTH

REPORT ON ARSENIC POISONING IN YELLOWKNIFE—REASON FOR DISSENT OF DR. BLEJER

Mr. Stuart Leggatt (New Westminster): My question is directed to the Minister of National Health and Welfare. It concerns a report which was tabled, I think, a few days ago on the arsenic poisoning problem up in Yellowknife. One of the consultants involved in that study, Dr. Blejer, who was engaged at the insistence of both the Native Peoples Brotherhood and the United Steel Workers Union, has now dissented from the conclusions of that report, indicating that in his view there is a danger to residents of Yellowknife in connection with the mining there. Would the minister advise us whether he has accepted the general conclusions of the task force concerning the danger and whether he has had an opportunity of contacting Dr. Blejer, an eminent authority in the field of public health, to determine why he has so vigorously dissented from the report on arsenic poisoning in Yellowknife?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all the document involved has not been tabled in this House since it is not a government report but a report from the Canadian Public Health Association. I received a copy and made it public yesterday through a press release indicating my full support for the findings and recommendations of this interim report. A final report will be prepared in a few months by the committee established by the Canadian Public Health Association.

As to Dr. Blejer's comments, I read them in this morning's papers and I noticed the doctor stated he had not received a copy of that report. I would have thought that before making any such comments he would have taken the trouble to get a copy and read it. I do not have any other comments to make concerning this doctor's statement, who seems to make statements even before reading the published reports.

• (1450)

[*English*]

REPORT ON ARSENIC POISONING IN YELLOWKNIFE—USE OF COMPANY DOCTORS TO CONDUCT TESTS—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, one of the recommendations of the report is that company doctors be used in the process of examining those miners who are working in that particular plant. I know the minister is familiar with the problem at Thetford Mines in Quebec where company doctors were used, and many years passed before miners were found to have asbestosis. Would the minister advise the House if he is in agreement with that recommendation, that there should be company doctors examining their own employees to determine whether there is arsenic poisoning? Does the minister accept the conflict of interest proposition, that it should be either doctors from his own department or independent doctors who conduct these examinations?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I wish to remind the hon. member that there is within this business concern an established union legally recognized under the laws of the Northwest Territories as well as the management. I imagine the business concern and the union will examine the report and come to their own conclusions about the best way to ensure the employees' health within this concern.

With regard to the hon. member's general assertion, I would like to tell him that I have more confidence in the ethics of the doctors of this country than he seems to have.

* * *

FISHERIES

REQUEST FOR FINANCIAL AID FOR ÎLES-DE-LA-MADELEINE HERRING FISHERMEN—GOVERNMENT POSITION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, on May 19 last, I put a question to the Minister of Fisheries and the Environment drawing his attention to the critical situation of the fishing industry, and especially the herring industry, in the Magdalen Islands, and this for the third year in a row. In his absence, the Minister for Regional Economic Expansion replied that the government was deeply interested in the problem and that, in any event, my concern would be conveyed to the attention of the Minister of Fisheries and the Environment upon his return.

The situation having since deteriorated to the extent where smoke-houses and processing plants are completely for other species without work or nearly so, depriving both fishermen and other workers in the industry of their livelihood, the only one on which they can depend, can the minister or his department, in agreement with the province of Quebec which also has responsibilities in that field, put forward an assistance program to help out that hard pressed population?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, we will no doubt do all we can. We have not always waited for other jurisdictions to act; we have acted unilaterally when time came to help out groups of fishermen falling under the Fisheries Prices Support Act.

I shall look into the statements of the hon. member. I shall ask that they be confirmed, not that I doubt his word, but that I should like to know exactly what the facts are, and shall then advise him or the House.

* * *

[*English*]

AIR TRANSPORT

BILLING OF CALPA AND CATCA FOR COSTS INCURRED DURING STRIKE NEGOTIATIONS—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. In light of the response he gave me on May 12 with respect to certain billings forwarded to CALPA and CATCA, in regard to their invitation by the government to come to Ottawa last June to assist the government and the ministry in the resolution of the air transport strike that was on at that particular time, I wonder if the minister is now in a position to indicate to these two organizations, and to the country, whether the government's policy will be to pick up the bills or the costs incurred for those two groups to come to Ottawa? That will indicate to us the government's policy with respect to the bringing of various groups into Ottawa for reasons of national importance.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would not speak about picking up bills because there are some costs which may well be borne by other organizations. On reviewing the file on this matter, I did conclude that there were reasons why the organizations might have been led to believe that the costs incurred by Transport Canada were going to be borne by Transport Canada, and I have directed that those costs not be pursued further with the organization.

* * *

SUPPLY AND SERVICES

INQUIRY WHETHER MINISTER APPROVED DESIGN OF SILVER DOLLAR COMMEMORATING HER MAJESTY'S SILVER JUBILEE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I would like to direct my question to the Minister of Supply and Services; but in his absence, I will direct it to the Acting Prime Minister. Now that the brochure illustrating the design of the silver dollar struck to commemorate the silver jubilee of Her Majesty's accession to the throne has been released, I wonder whether the Acting Prime Minister could indicate if the design, with its unfortunate symbolism of an empty throne propped up against what appears to be one of the late Mackenzie King's handcrafted ruins, was personally approved by the Minister of Supply and Services?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am sure it was. In fact, I saw it myself and it reminded me of the Senate Chamber.

Mr. Paproski: It was a ruin, was it not?

STEPS TO ENSURE PROMPT DELIVERY OF SILVER DOLLAR COMMEMORATING HER MAJESTY'S SILVER JUBILEE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I went down to the Senate yesterday to check it out for any similarity, and I could not find any.

My supplementary question is: assuming that collectors and people wanting souvenirs of the event may order sets featuring this coin as advertised, in spite of its design, what steps has the department taken, in conjunction with the Royal Canadian Mint, to avoid the extensive delays in delivery which have bothered those who ordered Olympic coins? I have had constituents who have waited almost a year for delivery. Now we have another offer, and one would hope we would have a better performance.

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I do not have an immediate answer for the hon. member with respect to the delays. I will inquire today and be ready to answer him tomorrow.

* * *

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST STATEMENT INCLUDE CHARGES AGAINST OFFICERS AND INFORMATION ON PRAXIS BREAK-IN

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have just a brief supplementary question for the Acting Prime Minister. It is in regard to a question which was asked of him earlier with respect to the statement expected on June 9 by the Solicitor General. Encouraged by the commitment the hon. Minister made about the comprehensiveness of the statement which the minister will make, I would like assurance that the Acting Prime Minister will communicate to his colleagues two critical points which we consider to be important. One is that the minister will include in his statement the charge which was laid against the officers who broke into the newspaper office in Montreal, and whether it was the same charge which was laid and to which they finally pleaded guilty. The other question relates to an assurance that the comprehensive statement includes those actions which were carried on in 1971 in the office of Praxis Corporation in Toronto.

Oral Questions

PUBLIC SERVICE

INDEXING OF PENSIONS—REQUEST FOR TABLING OF STUDY BY SUPERINTENDENT OF INSURANCE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the President of the Treasury Board. Some weeks ago I raised with him the question as to whether he would consider publishing actuarial studies made by the superintendent of insurance on the proposals for full indexing of public service pensions. At that time he indicated he would take the matter under advisement. I have asked him subsequently, and now I am asking him whether a decision has been taken and when can we expect publication of these reports in light of more and better information for the administration?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, a decision has not been taken. As I indicated to the hon. member in another forum, I am committed to making public the results of the independent actuarial examination when it is completed, which I expect to be in the next few months.

Mr. Lambert (Edmonton West): Mr. Speaker, is the minister suggesting in addition thereto, and as a basis of comparison with the studies of the superintendent of insurance which was made quite some time ago and completed, that he is now waiting for further studies under the Tomenson-Alexander or whatever may be the name of the report so that the two studies will be on a comparable basis when he publishes them?

Mr. Andras: Mr. Speaker, that inference is not necessarily the case.

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Acting Prime Minister; but in fairness I should say first to the Chair that it might be construed as being indirectly connected to the question of privilege which I will be raising at three o'clock. If you would prefer me to defer it, I will.

* * *

● (1500)

NATIONAL DEFENCE

ALLEGED SALE BY ITALY OF LEOPARD TANKS TO LIBYA AND EXAMINATION BY SOVIET EXPERTS—GOVERNMENT ACTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. It has been reported that some Leopard I tanks have been sold by an Italian manufacturer to Libya, from where they not surprisingly found their way into the hands of Soviet technical military experts, who examined them thoroughly. What steps has the minister taken to discover to what extent the security and technical effectiveness of our future main battle tank have now been hopelessly compromised before we even receive delivery of the first of them? Will the minister tell the House whether he is going to raise this matter at the meeting of NATO's nuclear planning group which begins its meetings here in Ottawa tomorrow and, if not, what action does he propose to take?

[Mr. Oberle.]

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I am not familiar with the details of the case but I will be speaking on this to other NATO ministers this evening. I do not think there has been any great compromise; it would surprise me if there had because they are pretty familiar with that tank right now. They are mighty scared of it.

Mr. McKinnon: A supplementary question, Mr. Speaker. In view of the fact that the Leopard I's technical secrets have now been compromised, will the minister reconsider this purchase and instead approach the Krauss-Maffei company with a view to renegotiating our contract, so as to continue renting the Leopard I's until 1980 and then purchase the more modern Leopard II?

Mr. Danson: No, Mr. Speaker, I would not consider that because the Leopard I is onstream, the troops are happy with it. They are winning all the competitions in Europe and bringing great pride to Canada.

* * *

[*Translation*]

CUSTOMS

ALLEGED FALSE INFORMATION ON QUEBEC GIVEN BY CUSTOMS OFFICERS

Mr. Thomas H. Lefebvre (Pontiac): Mr. Speaker, I would like to put a question to the Minister of National Revenue.

Many hunting and fishing outfitters and other tradesmen of the Maniwaki region complain about the erroneous information given to American tourists last weekend by customs officers in Sarnia and at the Thousand Islands bridge. Many tourists reported that they had been advised by them not to visit western Quebec since access to forests were forbidden because of fires and that the French language was now compulsory in Quebec. Could the minister seek information on that matter and make sure that in future the information relayed does reflect the reality, namely that forest roads were closed only from May 20 to May 28 and that the citizens of Upper Gatineau and of all western Quebec will welcome as usual the numerous visitors of our beautiful region in the language of their choice?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I am a little annoyed at the idea that such situations may occur because in spite of their role customs agents are expected to extend a warm welcome to tourists. I can assure the House that they are not supposed to express any personal opinion, including giving tourist information, and unless I am mistaken it so happens that right beside one of the two bridges mentioned there is a tourist office manned by officials of one of the two implied provinces involved. I will see to it that they do their job as usual, that is without proffering political opinions.

[*English*]

PRIVILEGE

MR. McKINNON—ALLEGATION MINISTER MISLED HOUSE CONCERNING ADMIRAL BOYLE'S RESIGNATION—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the hon. member for Victoria (Mr. McKinnon) returned to a question of privilege which he had raised earlier and had deferred in order to give the Minister of National Defence (Mr. Danson) an opportunity to participate. Yesterday the Minister of National Defence was in the House and both members participated in the question of privilege which had been raised by the hon. member for Victoria.

The foundation of the motion put forward by the hon. member for Victoria, were it accepted as a question of privilege, would be the action of the minister in misleading the House in a response he had made earlier to a question concerning the resignation of Admiral Boyle from the national defence service. Yesterday the minister indicated that as a result of the question raised by the hon. member for Victoria he had reviewed his files, and reaffirmed to the House the position he had taken earlier.

Therefore, there could scarcely be a question of any attempt, innocent or otherwise, to mislead the House. Obviously, what is at issue is a description given by the minister yesterday that one impression was taken by the admiral and a similar impression taken by the hon. member for Victoria, which are different from the impression of the circumstances taken by the minister. Obviously, that gives rise to a difference of opinion which, of course, does not fall within the bounds of a question of privilege.

MR. BALDWIN—ALLEGED ATTEMPT BY GOVERNMENT TO INTERFERE WITH NEWS MEDIA

Mr. Speaker: Yesterday, attention was drawn to a possible question of privilege by the hon. member for Peace River (Mr. Baldwin). Part of the foundation was an article referring to certain remarks made by the hon. member for Maisonneuve-Rosemont (Mr. Joyal). Other references were made to actions or alleged actions taken by the Minister of Transport (Mr. Lang) who was not in the House yesterday. I had indicated that it would be appropriate, certainly so far as those members who wished to contribute to the question and make reference to the actions or alleged actions of the Minister of Transport were concerned, that this should await his presence. I see the minister here.

So far as the hon. member for Maisonneuve-Rosemont is concerned, it does not seem to me that he is put on the defensive in the sense of being accused of anything in respect of these questions. I observe that the hon. member is not here today. There has been some indirect information to the effect that perhaps there is some explanation for this absence, but in the circumstances I wonder whether it would not be appropriate for those members who are here today and who wish to participate in the discussion to do so. Unless I hear during the course of their remarks some reason to defer until the hon. member for Maisonneuve-Rosemont is present, I would prefer to have them make their contributions now. Then probably I would stand the matter over until the hon. member for Maisonneuve-Rosemont is in the House, unless there is some reason to behave differently.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the hon. member for Maisonneuve-Rosemont (Mr. Joyal) telephoned me about two hours ago. He is engaged in a court action in the province of Quebec, I believe in connection with the Air Canada issue. I think he is most anxious to make some comments. There is a separation between the allegations with respect to him upon which a question of privilege might be founded, and the situation relating to the Minister of Transport (Mr. Lang). They are quite separable. Since the Minister of Transport is here, as are others who wish to comment, it may be that the Chair might feel disposed to proceed and hear the discussion. The hon. member for Maisonneuve-Rosemont did ask me to indicate to the House and to the Chair that he would appreciate the opportunity to enlarge upon the comments he has made, which he is most anxious to do in this House.

Mr. Speaker: Then I think I will proceed with the course of action I have outlined and continue with the comments, unless I see some reason to interrupt them on the basis of fairness to the hon. member for Maisonneuve-Rosemont.

Mr. Tom Cossitt (Leeds): Mr. Speaker, at the outset I should like to stress the fact that the most basic duty of parliament is the protection of our freedoms, not the least of which is freedom of the press; in other words, to protect the right of fair comment by the press on all matters whatsoever, including comments on members of this House or members of the cabinet.

Last weekend the *Canadian* magazine failed to appear in the province of Saskatchewan, directly because distribution was withheld by two newspapers which carry the supplement in that province. I draw the attention of the House to the fact that the editor of the *Canadian* magazine, in an open-line radio program yesterday which subsequently has been quoted extensively in the news media, stated that he was advised by lawyers of the Minister of Transport (Mr. Lang) on Friday, June 3, at 6 p.m., that legal action would follow if the *Canadian* magazine appeared. He further stated that he had sought legal advice and was told that if the article's facts were correct there were no grounds for libel; and since he believed the facts to be correct the decision was made to publish.

I also draw attention to the fact that Mr. M. C. Sifton, president of the company which carries the *Canadian* magazine in Saskatchewan and which failed to carry the article in that particular issue, has been widely quoted as using these words: "The straw that broke the camel's back was when we were threatened by a legal suit for defamation. Quite frankly, we would just as soon not find ourselves in that position".

It seems to me that there is, therefore, apparently a possible attempt to prevent publication and subsequent distribution of

the *Canadian* magazine allegedly by persons acting on behalf of the Minister of Transport. Therefore, I consider that the principle that parliament has the direct duty to protect freedom of the press may possibly have been grossly violated. If such violation has taken place, then I contend that it directly interferes with the rights and privileges of this parliament properly to perform one of its basic functions. In other words, a minister of the Crown—in this case the Minister of Transport—could possibly, either directly or indirectly, bring pressure on two newspapers to the extent that they failed to distribute the section of their paper carrying an article entitled "The Unhappy Landing of Otto Lang".

● (1510)

It seems to me that there is certainly nothing in the rules of this House, and certainly nothing in the traditions of British parliamentary democracy, that permits a member of the House, particularly a member of the cabinet, to have any part whatsoever in using, directly or indirectly, personal influence to stop publication or fair comment by a free press. This situation requires nothing short of a full investigation by the Standing Committee on Privileges and Elections. In addition, I think the Prime Minister (Mr. Trudeau) should appear as a witness before that committee so that the Canadian people know whether or not it is government policy to allow such things to happen as apparently may have happened here.

There is another aspect of this matter which I believe interferes with the privileges of every member. The duties of a member are fairly well known and rather clearly defined, and I contend that it is a breach of the privileges of all members of the House when one member, or representatives acting on behalf of that member, may have used their positions or their influence for purposes of self-interest, in that it reflects on the image that the Canadian people have of politicians in general and of members of the House in particular. That can only breed an attitude of disdain and cynicism on the part of the Canadian people toward members of parliament, and thereby hinder and damage the ability of members of the House, who have come here to work in the best interests of Canada, to perform their jobs properly.

The article referred to the Minister of Transport in various ways, but I quote only three words. It said he was "aloof", "obstinate" and "sometimes obnoxious". While the Minister of Transport obviously may not agree with this—and all of us would probably not agree with it if it were said about us in particular—nevertheless, is it not fair comment that such remarks in the press should not be suppressed, whether or not the Minister of Transport likes it or whether or not any other member of the House might like it if it were said of him?

Finally, if this incident turns out to be in fact as it has been reported, then I believe the committee on privileges and elections has no alternative not only to consider it but to come to the conclusion that the resignation of the Minister of Transport from the government or his dismissal by the Prime Minister be requested. Indeed, I would go further and say that if the facts are established as being true, the Minister of Transport should no longer hold a seat in the House. I have no hesitation in supporting the motion of the hon. member for Peace River (Mr. Baldwin) that this entire situation should be examined by the committee on privileges and elections in order that the people of Canada and the House in particular will know what really happened and that the matter is being properly dealt with.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Lang: —I believe even some of the words quoted by the hon. member for Leeds (Mr. Cossitt) reveal the absence of any question of privilege here, since the words he quoted suggested that the distribution of these magazines was withheld by the newspapers themselves. There was a difference of view in some quarters as to whether or not that was the right legal position for them to take. But surely the hon. member is not suggesting—and I hope no hon. member would suggest—that a member of parliament is not protected also by some of the laws of the land in relation to libel or slander.

Some hon. Members: Hear, hear!

Mr. Lang: I know that many of us in politics frequently go a long way in simply turning the other cheek when various instances of defamation arise, and surely in each case it is a personal decision whether we ought to do that. In this particular case I have reached the personal conclusion that it had been done too often and that I should take a stand in exercising my legal rights, and I drew that to the attention of the people who were associated with the particular publication.

I will not say anything more about that, because the actual issues involved may well be resolved before the courts. But I want to say two things. First of all, I believe it important that I take a step such as this because of the increasing tendency of persons in political life to be maligned in such a way that it might be even less attractive for others who might regard a political career as a possibility, to enter that career. Certainly, I may say that it has very serious costs which I wish hon. members would take very carefully into consideration. It may be that as a member of parliament I could continue to turn the other cheek, but in the end I must have regard for the consequences and impact upon the attitudes and feelings of my family and my friends.

Some hon. Members: Hear, hear!

Mr. Lang: Secondly, I would like to talk about the way the allegations have been brought to the House. I presume that the switch from the hon. member for Peace River (Mr. Baldwin) to the hon. member for Leeds has meant a difference in standard and in approach between them, but you will notice that in introducing this matter the hon. member for Leeds, who ended grandly by suggesting that my seat should be put on the line over the issue, very carefully avoided following certain parliamentary procedures in making a charge by laying his seat on the line.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: In matters such as this, members of parliament may actually participate in the spread of remarks, innuendo and slander, with what may be fair comment in reporting by the press, by the way in which they raise these matters in this place. I suggest that the hon. member for Leeds should not be allowed from time to time to introduce matters in this way without making a charge.

Mr. Cossitt: I did.

Mr. Lang: The hon. member said that certain principles "may have possibly been grossly violated". He said, also, "... to allow such things to happen as apparently may have happened here". I wrote down these words as he said them. He also said "... may have used their positions". In all these instances he is making suggestions, charges and innuendo, of what? If he is charging wrongdoing of me as a member of parliament, let him make a charge and let him lay his seat on the line to back that charge.

Some hon. Members: Hear, hear!

• (1520)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the House of Commons has just observed one of the worst examples of cloying hypocrisy since many of us came here.

Some hon. Members: Shame.

Mr. Baker (Grenville-Carleton): The Minister of Transport (Mr. Lang) said he thought the time had come to take a stand. The only time the Minister of Transport decided the time had come to take a stand on behalf of members of parliament was when the heat got so hot on him that he decided he had to climb out of his Jetstar.

Some hon. Members: Shame.

Mr. Baker (Grenville-Carleton): When the positions of the right hon. member for Prince Albert (Mr. Diefenbaker) were distorted in the press and when his personality was examined in the press, was he defended by the Minister of Transport? No, the Minister of Transport sat on the sidelines and grinned. When the hon. member for Halifax (Mr. Stanfield) was leader of the opposition and an hon. member of this House of Commons, when he was attacked and when his position was distorted by the press and the public of this country in many ways, and by the Liberal party, did the minister stand up and defend the hon. member for Halifax? No. The honour of this House and the honour of members of parliament have no more glowing an advocate than when the advocate himself is attacked in the press. That is why I call it cloying hypocrisy.

Let me get to the merits of the case, now that we have disposed of the minister.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): The minister may have been upset by the fact that his story is juxtaposed beside an advertisement in the same publication saying, "Losing 78 pounds saved my marriage". I do not know whether that has anything to do with it.

Some hon. Members: Order.

Mr. Macdonald (Rosedale): That's pretty cheap.

Some hon. Members: Order.

Mr. Speaker: Order, please. The question at stake here in this proposed question of privilege raised by the hon. member for Peace River (Mr. Baldwin) is essentially as it concerns the Minister of Transport (Mr. Lang). There have been other allegations concerning statements made by the hon. member for Maisonneuve-Rosemont (Mr. Joyal), and there has been some indication of the intention of the hon. member for St. John's West (Mr. Crosbie) to raise questions about some broadcasting matter in Newfoundland.

However, in so far as the Minister of Transport is concerned, the question is whether the minister has exercised that legal right which is the right of every citizen, and in so doing has done something which exceeds or in some way offends the privileges of a member of parliament. That is the issue at stake, and I think we ought to avoid arguing the matter as though we had accepted the fact that that was a question of privilege, and concentrate on whether that constitutes a question of privilege.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I was just clearing my throat. I am now coming to that part of the argument. I think all hon. members of the House of Commons know, when we are dealing with a matter of this kind, we are not obliged to make out a case but we are obliged to make out a prima facie case at first blush and then the matter is to be examined by the committee. Aside from the point raised by the hon. member for Leeds (Mr. Cossitt), which I think he did in a very quiet and responsible way—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): —the question is whether it offends the privileges of this House for a minister of the Crown, in the exercise of what he has called his personal rights as an individual, to deal with a newspaper or to deal with a publication. Is he in any different position in this country than the ordinary citizen, particularly when the article refers directly to the minister of the Crown and his position of esteem—at least in the opinion of the journalist—in the country and to his capacity as a minister of the Crown and as a member of parliament? Is that minister in any different position today?

Is the case affected in any way by the fact that between the *Canadian* magazine and the newspapers which are its benefactors, in terms of articles which are published each week, there is an indemnity between F.P. Publications and the *Canadian* magazine so that if they, in a sense, said "Publish and be damned", the newspaper might refuse to publish on the some-

what specious grounds that it might face an action? Is the fact that, even in that event, it would face no loss, a consideration for this House and the committee in deciding the extent of the pressure which was obviously brought by the minister through his communication, by his admission, to those newspapers? Is it significant that all the other newspapers in this country except the ones in Saskatoon and Regina published that article about which the minister complains so vehemently?

Aside from the fact that there is nothing in that article other than what every member of parliament may from time to time have to put up with, I do not think there is a solicitor in this House who, even looking at it at first blush, would ever consider it libellous and slanderous. Does that make a difference in the case of a minister of the Crown? Hon. members might ask why I single out a minister of the Crown. What has happened to the publishing and news dissemination industry in this country is that great newspapers and publishing houses in Canada own radio stations and television stations, all of which are licensed by the CRTC, which is not a creature of this parliament but a creature of the government. Therefore, in those circumstances I think it weighs very heavily upon the back of any minister of the Crown, who is in a different position in that sense than anyone else to approach a newspaper.

Some hon. Members: Oh, come on!

Mr. Baker (Grenville-Carleton): I read the article in question and I did not find, quite frankly, anything to justify the letter or to justify the hurt the minister apparently felt.

Some hon. Members: Who are you?

Mr. Baker (Grenville-Carleton): Apparently I am one who is not nearly as sensitive as this minister.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): The minister appeared on television last night and said he was very concerned about this article because it might discourage others from going into public life. That is not what discourages others from going into public life; it is the hypocrisy of some ministers of the Crown.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I think it is a very important consideration for this House to examine the depth of impact of a threat to sue by a minister of the Crown who is much different from anyone on the street.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): When that threat is made to an organization which has interests in other publishing and information dispensing fields which are subject to the jurisdiction of a board or commission which is answerable to the government of Canada, that makes the threat a much deeper one. This is not a case of a thin-skinned minister who could not stand the heat and decided to write a letter. This is a case of limiting the publication to one area, flying in the face of an indemnity to indicate the influence, at least on a prima facie basis, that was brought to bear upon that publication by a minister of the Crown—not Otto Lang, barrister and solicitor, but the Minister of Transport: as the article says, the only one who wanted to be Minister of Finance. That is the impact. That is the point in this matter, that the minister has a responsibility not to attempt to suppress any information anywhere in this country as a result of his position.

• (1530)

I should like to see tabled the legal opinion, dated the day it was given, that the article was defamatory, with the authorities upon which the solicitor relied. The facts of the matter are that a number of other publications in this country were not intimidated by this minister, and if there was an examination, as I am sure there was, by the solicitors for those other newspapers which dared to publish in face of the threat by the minister, then I would think not all of the solicitors would be out of step but the solicitors for F.P. Publications.

I do not know whether a case will be made out before the Standing Committee on Privileges and Elections. We are not here to decide that; we are here to decide whether there is a prima facie case.

An hon. Member: You have made up your mind.

Mr. Baker (Grenville-Carleton): You bet I have made up my mind. The committee on privileges and elections should decide whether it ought to examine the matter further. I think the case reeks of that prima facie quality and the matter should go to the committee where it could be dealt with fully.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to speak for only a few minutes, and I hope what I have to say may help to clear the air a bit and get us to the point that is really before the House.

The first thing I should like to say is that I deplore the way in which cabinet ministers, almost every time a serious issue of this kind is raised, draw out the old argument that the hon. member raising the matter ought to put his seat on the line.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Nowhere in the Standing Orders, nowhere in the rules, nowhere in the precedents, is there a requirement that that be done. In a few cases in our history it has been done voluntarily by the member making the attack or making the charge, but there is no requirement that any time a member of the House raises an issue he should put his seat on the line.

The second thing I should like to say is that I fully support the right of any member of this House, whether a private member or minister of the Crown, to take whatever action he feels necessary under the law if he feels he has been libelled or slandered. There is no question about that. It is not so long ago that a former minister of finance, Mr. John Turner, took action against the Canadian Broadcasting Corporation for

something that had been said which he regarded as defamatory. I believe the matter was settled out of court. I hope I will be understood if I say, just to show that my stand is a consistent one, that some 30 years ago I sued for libel in the Supreme Court of Ontario over certain things that had been written against me. My hon. friend to my right wants to know if I won. The answer is yes.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I hasten to add that the court ruled I had not been damaged, so all I received was $1 and costs. Of course, when one hires a lawyer, costs are important.

Mr. Speaker, I should like to be clear on this. In my view, the Minister of Transport (Mr. Lang) has every right, if he feels he has been treated in a defamatory way, to take action under the law. But I would argue that that is not the issue before us, and just as we should not be discussing any requirement on the part of the hon. member for Leeds (Mr. Cossitt) or the hon. member for Peace River (Mr. Baldwin) to put their seats on the line, neither should we be questioning the right of the Minister of Transport to seek action if he feels he has been libelled.

What is at issue—and Your Honour has already made that point and asked us to address ourselves to it—is whether the privileges of parliament, the privileges of the country which we represent, are interfered with or are violated when a minister of the Crown uses his weight as a minister to stop publication by certain newspapers in this country.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That, to me, is the whole issue. I hope the discussion will stay on that issue and that we will not be tempted to get into too many things that members might like to say about the Minister of Transport or the hon. member for Leeds. The issue is very clear. Is it true, or is it not true, that the minister, by weight of his position as minister, was able to prohibit or prevent the publication of the *Canadian* magazine in two newspapers in Saskatchewan last Saturday and, if so, where does that fit into our rules?

I imagine that some who take part in this debate today may ask what Standing Order or what rule says that newspapers have the right to publish no matter what it is they print. The question of whether something that has been published is libellous is decided afterwards by the courts. But surely the right to stop publication, without going to court, is as serious as putting people in jail because they might do something, because of their thoughts or because of their opposition to the government.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I would suggest, Mr. Speaker, that what this House should be doing is referring that simple question to the Standing Committee on Privileges and Elections. I have carefully read the proposed motion put yesterday by the hon. member for Peace River. That motion is based mainly, on the quotations attributed to the hon. member for Maisonneuve-Rosemont (Mr. Joyal), but there are references to other and related matters and it seems that it is the action of the Minister of Transport that is in question. Perhaps the motion ought to be reworded. I would be happier if it were and if we were dealing with the one simple issue: was it a violation of the rights of this parliament—more than the right of this parliament, the rights of this country—that we represent, to have the freedom to publish interfered with, as apparently was done by the action of the Minister of Transport?

Mr. Speaker, I said when I rose that I had only three things I wanted to say. Those are the three things. Let us have no more of this argument that members of the opposition lay their seats on the line. Let us not deny, no matter how strongly we may feel about the Minister of Transport on this side of the House, his right to go to the courts to seek redress for what he may feel to be libellous. But let us not in this House rest content, or rest at all, if the freedom of newspapers to publish in this country is being interfered with by the heavy hand of the Minister of Transport.

• (1540)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have a few words to say on this question, but I think a few words ought to be said. Perhaps what the hon. member for Winnipeg North Centre (Mr. Knowles) said is correct: there is no Standing Order of the House which requires a member of parliament to take responsibility for his own utterances. That may be true. But surely there is a sense of honour—

Some hon. Members: Oh, oh!

Mr. Paproski: What do you people know about honour?

Some hon. Members: Oh, oh!

Mr. MacEachen: Surely there is a sense of honour which is more important than the Standing Orders. The hon. member for Winnipeg North Centre is a rather distinguished member of the House, but other members of the House in the past have taken an entirely different view of this question, a view entirely different from that of the hon. member for Winnipeg North Centre.

Mr. Andre: That is a specious argument.

Mr. MacEachen: Among them are two former prime ministers of Canada, one of them Sir Wilfrid Laurier who raised the point in a famous debate. The hon. member may recall, when he was absent from the House for a short period and was not a member of parliament, that there was a case before Mr. Speaker Michener in which the leader of the opposition of the day put down a motion asking the House of Commons to investigate the conduct of a particular member on the government side. That leader of the opposition was the late Mr. Pearson. He put a motion down asking that certain details of the conduct of an hon. member be investigated by the standing

committee. What was the ruling made by Mr. Speaker Michener as he dealt with this serious question? He said that no member could be investigated in the House of Commons unless a charge was made.

It is a fundamental question. You cannot waltz around the issue by making vague motions and ask for a member's conduct to be investigated unless a charge is made. The hon. member for Winnipeg North Centre is advocating a course of irresponsibility. That is why I do not accept his proposition that a charge is unnecessary—

Mr. Lambert (Edmonton West): It is not.

Mr. MacEachen: —on the part of an hon. member if the conduct of another hon. member is to be investigated.

Mr. Lambert (Edmonton West): It was a misinterpretation.

Mr. MacEachen: Therefore, Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order and wish to ask the minister a question. Does he not agree that I was not saying that a member did not have to lay a charge? I was contending that nothing in the rules or precedents requires such a member to put his seat on the line. That was the point.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Is it not true that Mr. Speaker Michener's ruling did not change that position?

Mr. MacEachen: Mr. Speaker, of course there is no Standing Order which recommends that an hon. member should put his seat on the line. But it was advocated in the House in earlier days, when standards of honour apparently were a bit higher, that if any member falsely accused another member, and his charge could not be supported by a standing committee, he should put his seat on the line. Otherwise this is nothing but total irresponsibility.

The hon. member for Winnipeg North Centre says, "Well, it is all right for a member to take action if something is published. I did it myself". The hon. member for Winnipeg North Centre makes that case. Surely, what is possible for the hon. member for Winnipeg North Centre should be possible for the Minister of Transport (Mr. Lang).

Mr. Hees: Nobody is arguing against that.

Mr. MacEachen: Of course, the argument made by the official opposition is that what the Minister of Transport did in taking private legal action or seeking legal advice was improper. But there is another point I ask the House to consider. Is the hon. member for Winnipeg North Centre right in saying that if an hon. member seeks to prevent defamation from happening, that offends against the privileges of the House?

An hon. Member: Defamation of what?

[Mr. MacEachen.]

Mr. MacEachen: Defamation of character. Does it offend anyone's privileges if I, feeling that a publication will defame me or slander me, prevent that defamation or slander from taking place? Am I offending any member's privileges.

Some hon. Members: Hear, hear!

Mr. Paproski: Where is the defamation in the article?

Mr. Hees: Yes, where is it?

Mr. MacEachen: It would be monstrous if any member of the House were to suggest, for example, that if the hon. member for Don Valley (Mr. Gillies) felt a publication coming out would damage his good name or that of any other member, he should not be entitled to the recourse of any ordinary citizen and stop it. That is the issue. I hope Mr. Speaker will not be party to that monstrous suggestion made by hon. members opposite.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for St. John's West (Mr. Crosbie) has sought the floor several times. I deferred recognizing the hon. member because he indicated yesterday that he proposed to explore new ground. Therefore, I thought I ought to hear those who intended to contribute to the main question.

Mr. James Gillies (Don Valley): Mr. Speaker, I hesitate to debate this question with learned members who have served a long time as members of this House. Let me reinforce my point and make it clear. This question, I think, is one of the most important issues which has arisen in the five years I have served as a member of parliament. Is not the fundamental question before the House the freedom of the press of this country? It is not a question of whether the Minister of Transport (Mr. Lang) feels he was defamed, or if I or anybody else feel we might be defamed. Surely we are considering a fundamental question, the protection of the rights of the press of this country.

We are also considering the responsibilities of a cabinet minister who may influence events and has some power to determine what eventually happens in the press, particularly with regard to licensing arrangements. Aside from all that, what we are doing in the House is in order to be absolutely certain that the freedom of the press, the underlying foundation of liberty and democracy, is not threatened. I argue seriously that the individual member of parliament who is without administrative or legislative responsibility, except as to the manner of his voting, is in a position fundamentally different from that of a cabinet minister who may be in a position to exercise power and influence over a publication. Surely that must be taken into consideration.

I am not greatly concerned about what was or was not said in that particular article, but I am desperately concerned about the liberty of the press and if the press feels it cannot publish because of its concern. I do not want the press to feel

that cabinet action may make it impossible for it to carry out its responsibilities.

I find the reaction of hon. members opposite astonishing, for I consider this one of the most important, significant questions parliament has considered in the last several years. The question is, how are we to act in this House, and what protection does this country's press have against the possibility of intimidation by cabinet ministers?

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I shall address myself to several aspects of the matter before you. I suggest that the hon. member for Peace River (Mr. Baldwin) raised not only the question concerning the conduct of the Minister of Transport (Mr. Lang); he raised in this House what appears to be a whole series of courses of conduct on the part of members of the government. He suggested that if Your Honour found a prima facie case of privilege, he would move the following motion:

> That the Standing Committee on Privileges and Elections inquire into the statement alleged to have been made by the hon. member for Maisonneuve-Rosemont, which appear in today's edition of the *Globe and Mail*, and into related or other incidents, which indicate that the rights of parliament on behalf of the people to have full and unabridged reporting of the actions of government are being threatened.

● (1550)

I do not stand to make a charge against anyone. I do stand to put certain facts and circumstances before this House which I think should be considered by the Standing Committee on Privileges and Elections. I first want to address myself to the question involving the Minister of Transport. There is no question that the Minister of Transport has the right to take legal action against anyone for defamation, as we all do. No one questions that. However, that is not the issue. The issue is that through behind-the-scenes means, because of his position as a cabinet minister he was able to stop publication in a certain province of an issue of the *Canadian* magazine. If I objected to the publication of some article about me, because I am an opposition member and not a member of the government there would be no way I could stop publication of that article anywhere in Canada. They would pay no attention to me.

What would have happened had I gone to the Minister of Transport and told him that they were going to publish an article about me in which I was going to be slandered, libelled, called terrible things, calling me stupid and saying other things about me? If I asked the minister to stop publication of that article and to threaten on my behalf, would he do it? Not likely. The minister used his position as a minister of the Crown. Because he is a powerful minister he was able to get the publication stopped in Saskatchewan. That is the issue.

We can sue for libel and slander. I have never bothered and I never will, because I know it is useless for a politician unless it is something so horrendous that I would have no choice, a "live or die" matter where it had to go into the courts. I have had things written about me ten times worse than what appeared in that article. I am dumbfounded that the minister is so thin-skinned. It is the position of the minister that makes his course of action so distasteful.

I am not laying my seat on the line. I will lay my seat on the line at the time of the next election. The people of St. John's West will decide on my conduct at that time. However, I am not laying it on the line for the Minister of Transport or the President of the Privy Council (Mr. MacEachen). The President of the Privy Council said that we are asking for an investigation of a member. We are asking for no such thing. We are asking that the Standing Committee of Privileges and Elections consider certain facts, to establish them and, once established, to decide whether the privileges of this House have been infringed because of an attempt to interfere with the free publication of stories about members of the House by members of the media. We are asking for facts to be ascertained and a decision made as to whether this is a breach of our privileges.

Another matter arises out of this motion. The other matter was already mentioned. This is a pattern of conduct by the government. It falls into line with the investigation which the CRTC was requested to make into Radio Canada with regard to alleged separatist bias. This is all part of a pattern of conduct of an arrogant, power-mad government that is going to stop anyone critical of them if they can do it.

Some hon. Members: Hear, hear!

Mr. Crosbie: There is a third matter which I wish to place before the House. It is related to other incidents which should be considered by this House. I refer to the question of whether it is proper for a member of the government to own, as the Secretary of State for External Affairs (Mr. Jamieson) has done since 1968, 49 per cent of the shares of a second television and radio channel in the province of Newfoundland. I want to put that before the Standing Committee on Privileges and Elections. I am not charging that that hon. gentleman has done anything improper or attempted to use any improper influence. However, I submit that it is not proper for a minister of the Crown in the government which appoints the members to the Canadian Radio Television Commission under section 5 of the act. It not only appoints the members to a seven-year term, and they can be reappointed, but decides under section 7 what pay they are to get.

Should a member of the government who has that power also be involved in ownership of a communications media in this country? I submit that is a question that has to be considered by this House—whether that is a proper situation for a minister of the Crown. The hon. gentleman in question has been a member of the government since 1968. It has been nine years since that situation has been regulated. Some decisions and steps must be taken. I submit it puts the members of the CRTC in an extremely invidious position in having to decide on matters indirectly related to the minister.

It is true that the minister now has a trust: these shares are held in trust by trustees. The minister may not have anything to do with them and no influence over them, but it is not a blind trust. The minister knows he owns the shares. This is a

matter that will come before the CRTC on June 21. It will involve the actual AM radio stations becoming owned by the trust if the CRTC approves. This is a matter that should be considered.

I will give an example of interference in communications and the suspicion that arises in this situation. The 51 per cent owner of Newfoundland Broadcasting Limited is Mr. Jeff Sterling, a Liberal candidate in the 1975 election—a Liberal reformed candidate. He has been a Liberal supporter since 1949. That gentleman has the most eccentric scheduling on his television and radio stations. He owns a second TV network in Newfoundland, five AM stations, and he has a licence for nine FM stations. A comparable situation would be for a member of the government to own Global TV or half of the CTV affiliates in Ontario.

Some hon. Members: Oh, oh!

Mr. Crosbie: They do not like it. They do not like to be questioned. I will give an example of what can happen through Liberal establishment ownership of the television and radio media in this country. A week ago last Friday I was invited by the CTV to appear on the program "Question Period", a public affairs program. When I got to Newfoundland I looked in the paper to see when it would be shown by the CTV affiliate, CJON. It was shown in the rest of Canada on Sunday afternoon. When I looked at the paper I discovered that it was going to be shown at three o'clock Monday morning.

Some hon. Members: Shame.

Mr. Crosbie: I could not believe it. I did not think even Mr. Sterling could be so eccentric as to have a public affairs program shown at three a.m. on Monday. Even I would not stay up for that. On Tuesday I checked to see if the program had been shown. I was told it had not been shown because they had lost the tape, or something stupid like that. We checked again this morning and found that it still had not been shown. I guess they are looking for the tape. That may not have anything to do with the fact that I am a Progressive Conservative member of parliament, or that I have had political disagreements with members of the media, but it does arouse some suspicion.

What I am putting before the House in connection with this motion of the hon. member for Peace River is another example of Liberal government domination of the communication media, interference with the free flow of information from members on both sides of this House to the people of Canada. We all know what we say here does not matter much if it is not reported. If it is not reported, how can it have any influence on what happens in the country?

There are three matters that should be considered. The hon. member for Maisonneuve-Rosemont (Mr. Joyal) is not in his seat today. He has alluded to some of this conspiracy. We cannot go into that in detail today. There are the actions of the Minister of Transport, using his position in the government to

stop a publication. It is a new offence. It is not "lese majeste" but "lese Lang".

There is the control of TV and radio and the position of a minister of the Crown, whether a conflict of interest arises and whether it should be permitted. I had to give up my business interests when I got into public life. Does it behoove a member of the Crown, or not, particularly when it is a media that is controlled absolutely by the government or its agency? There are other matters to which the hon. member for Maisonneuve-Rosemont alluded.

● (1600)

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the hon. member for St. John's West (Mr. Crosbie) has managed by some ingenuous connection to link this to the principal matter before the House at the present time, and I suppose on that basis it is justified. However, I must say, with respect, that it is drawing a very long bow to use this particular incident to generate discussion about a matter which I am perfectly well aware has been on the hon. member's mind for some considerable time and one which he has discussed with a great many people, excluding only myself.

First, I am grateful to the hon. member. In view of the fact that it has been brought up, I assume I am entitled to make some response. I assure Your Honour that I do not intend to do so in detail. I am grateful to the hon. member for his emphasis on the fact that he is not laying any charges, nor is he suggesting any impropriety on my part. I want to reinforce that comment of his by saying categorically at the outset that in all my time in public life I have never on a single occasion sought to do anything to influence in any way, shape or form the output of any of the broadcasting associations or organizations with which I have had a very long relationship.

I would invite any member present, including the hon. member for St. John's West, to talk to the dozens, indeed, to the hundreds of people over the years who have worked for those organizations. They will, I am sure, confirm to a man that there has never been, on my part, the slightest suggestion of interference in any way. I want to lay that idea to rest in case there should be any indication that some kind of unreasonable or improper pressure has been applied. In fact, quite the contrary. The truth of the matter is, as anyone who has been in Newfoundland will attest, that the hon. member for St. John's West, both before he entered this House and since, gets substantially more coverage—not necessarily at three o'clock in the morning—than I do. Indeed, the opposition members generally have had that experience over the years.

Incidentally, in case he does still feel there was any relationship between my association and the kind of treatment we get on "Question Period", let me assure him that I commiserate with him because I, too, had to sit up until three o'clock in the morning in the vain hope I might see myself on the program about six weeks ago. Sad to relate, my experience was precisely the same as that of the hon. member, which I believe reinforces my argument that there was no association.

Having said all that, Mr. Speaker, may I point out that hon. members are very familiar with this issue and with the problems it creates not only for me but for all members who before entering this chamber had businesses or enterprises which in some form were subject to a degree of government regulation. I have said before in this House, and I am content to repeat it now, that this represents not only a personal matter to the extent that it creates a problem for me, with my background in business, but that there is a much broader question of principle here—and the hon. member has touched on it—as to the way in which someone wishing to become a member of this House and who is engaged in a business or other enterprise which in some way is subject to regulatory applications—and there are hundreds of agencies which might very well be so involved—manages to deal with the situation.

I want to make one point in this regard to illustrate what I have sought to do over the years in this connection. The hon. member said the matter ought to have been resolved before now. I sought to resolve it, as he well knows. I sought to do so by going well beyond the guidelines. In the first place, my association with this enterprise was known long before I entered parliament. It was known to those who elected me, and it has been known since. So there was no concealment. I went beyond that in recent times when the CRTC gave me permission—a permission which was unique—to form a trust. No one has ever sought to describe it as a blind trust, for obvious reasons. But the CRTC, in what I believe was a unique decision, authorized the formation of a trust so that I could transfer to that organization the decision-making with regard to my holdings in that company. That trust made a decision to seek to sell my interest in the organization.

That is a matter of record. It is public knowledge, and hearings were held with regard to it. Far from having any control over the CRTC, the result of that hearing was a decision to turn down my trustees and deny me the right to sell my holdings in the organization. This having happened, there is clearly not very much more which can be done by my trustees other than, presumably, to seek to resolve the situation in some other way, as I gather they are now doing. Let me assure the House that I was not aware of what the trustees were seeking to do until the public announcement with regard to the new proposal was placed on public record in newspapers and the like several weeks ago. I still do not know the details, and I shall not until the hearings are held. To endeavour, through this interlocking proposal, to suggest that the hon. member may be properly aggrieved in terms of the treatment he may have received from the stations, or his views on how the stations are being operated, to the suggestion, indirectly, that I have some responsibility for that, is clearly unreasonable in the light of what I have said.

Let me end by saying this. I am not referring now to the matter of substance which brought on this particular intervention by the hon. member for St. John's West. I am answering a particular comment which was made by him. I have no argument about his raising it. I am delighted that finally he has had the opportunity to do so in the House. If he will look back to the reports in *Hansard* about two or three years ago when this matter was raised earlier, he will find that I invited whatever agency of the House is appropriate for the task to consider not only my situation, one which, by the way, I would be very glad to lay out in considerably more detail than I have today, but also the predicament which is created by these circumstances for someone who throughout his public life has never sought unreasonably or in any other way to influence the media and who has tried to level with members on both sides of the House.

I emphasize that if the House wishes to examine this question of the way in which people in public life have interests relating in some way to their activities as members of parliament, I would have no objection whatever to these matters being discussed. I would be more than happy to outline what my situation has been over the years and, incidentally, to put forward a few proposals which I believe might help to resolve this awkward situation, not only for me and not only for other members who might be affected but for those who in future might wish to enter public life and who might question their desire to do so given the kind of circumstances we have heard about in the House today.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to speak very briefly because I have had some experience of these matters, having held the portfolio which the Minister of Transport (Mr. Lang) holds today. During the period in which I held that portfolio, any time I was described in the terms he is objecting to—I have read this article very carefully, and as far as I can see the most serious accusations I can find are those describing him as pompous, objectionable and obstinate—while I was minister of transport, any time I was only called those things was a banner day for me.

Some hon. Members: Oh, oh!

Mr. Hees: Any action taken by a minister is bound to be controversial to some extent. Members of the press have a perfect right to express any opinions they may hold about what a minister is doing. That is an essential part of public life. The minister's threat that he is going to bring charges against a newspaper or a newspaper reporter because of an article which simply says that he is pompous, obstinate and obnoxious is about the most childish thing I have ever heard. It degrades the whole public life of this country. It indicates that ministers cannot take criticism as well as they can hand it out. As Harry Truman said, "If you cannot stand the heat, for God's sake get out of the kitchen and get on with the business of the country."

• (1610)

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I choose to intervene in this debate because I consider this to be a serious and fundamental right of a citizen who happens to be a member of parliament. Regardless of what has been said in the article, every citizen, whether that citizen happens to be a member of parliament, a driller or any other worker, has the right to phone a newspaper and say that he has been maligned, held in contempt and ridiculed. I have had occasion to do this

myself. I cannot believe that hon. members can resort to political pettiness, venom and vindictiveness in the manner which I have seen displayed here.

An hon. Member: Like you are doing.

Mrs. Holt: I am disturbed by the fact that people in the gallery are watching this kind of political plaything on such an important point of privilege. I am not sure that this is not a matter for the civil authorities and not a question of privilege of this House under citation 113 of Beauchesne's Fourth Edition. I feel it is the right of every member to use the legal remedies open to every citizen, without members of this House compromising that right in any way by adding to and compounding the ridicule and the contempt. This is a basic right we all have.

I am presently involved in a lawsuit. It was a situation where I picked up the phone and said that I was going to proceed against them if, on the advice of my lawyer, I find out I had been slandered and maligned.

An hon. Member: After the publication.

Mrs. Holt: I have that right. As much as I believe in the freedom of the press, and even in the freedom of the bad press, I also have the right to challenge the press. If they are not accurate, I have that right. It is not open season on members of parliament.

Some hon. Members: Hear, hear!

Mrs. Holt: Some of us chose our job with great seriousness—

An hon. Member: All of us did.

Mrs. Holt: When we chose to enter this business and to serve our country, it did not give the media or any other person—neither my colleagues nor the opposition—the right to demean me. As far as my reputation is concerned, I am not in the public domain. I have built a reputation over many years, as has the Minister of Transport (Mr. Lang). Nobody has the right to malign me. This is a very important point and it should not be a political plaything, with people talking Liberal or Conservative or getting even with someone they happen not to like in this House.

My serving this country does not give everybody the right to attack me, nor does it give them the right to attack a minister. That minister and I have the right to phone a newspaper. The reason a Saskatoon newspaper would withdraw a story, just as a Vancouver newspaper did in my case, is because they know the truth about us and may be very nervous that they are indeed libelling or holding an individual up for contempt.

We are free citizens, just as the press must be free. I believe very strongly in a free press, even if it is a bad press. But I disagree heartily with the hon. member for Don Valley (Mr. Gillies) who said that the press might fear they are being inhibited. If they are being inhibited to be accurate, that is the greatest thing that can happen. In no way should any member of this House share in the slander, the innuendo or the bad journalism which may be perpetuated here. Hon. members have contributed to it today; they have fed it and have shared in it. This may be a point of privilege, but I think it is not. We have a fundamental civil right to phone a newspaper and say that we have been slandered. I intend to pursue my lawsuit after being informed by a lawyer that I have one.

Citation 113 of Beauchesne's Fourth Edition reads as follows:

> Members often raise so-called "questions of privilege" . . . It should be dealt with by a motion—

Mr. Speaker, you are aware of all this. I would like to refer to the part which deals with insults and obstructions during debate, which reads as follows:

> Libels upon members and aspersions upon them in relation to parliament and interference of any kind with their official duties, are breaches of the privileges of the members.

I suspect in that regard there may be a question of privilege.

Mr. Hees: The press gallery is filing out.

Mrs. Holt: I would like to jump one sentence in the quotation—

An hon. Member: Jump two, Simma.

Mrs. Holt: The citation continues:

> An attack in a newspaper article is not a breach of privilege, unless it comes within the definition of privileges above given, and then a member is bound to lay on the table the newspaper in which the article complained of appears.

A member's effort to get redress in the civil arena has nothing to do with the procedure of this House. I would like to end my comments today by referring to a definition of some editorial writers. Some of the opposition may be of the same ilk. They are the people who come out of the woods after the battle to shoot the wounded.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. We have had a rather extensive contribution to this question of privilege. I know I will benefit greatly from the contributions yet to come. I would like to get us back to the point.

In so far as the motion of the hon. member for Peace River (Mr. Baldwin) is concerned, there are many ingredients in it. That will have to be given some reflection because it has a rather wide-ranging suggestion containing reference to a deliberate attempt on the part of the government to affect or influence relationships with the press and the reporting of activities here. That will await contribution by the hon. member for Maisonneuve-Rosemont (Mr. Joyal) who inspired the motion.

I do not propose to be able to deal with that motion simply. However, there is one aspect with respect to it, and that is the article which appeared in the *Canadian* magazine over the weekend concerning the Minister of Transport (Mr. Lang). In so far as that point is concerned, we have certainly had a good deal of discussion. We have all agreed that it is the right of

every member, as it is the right of every citizen, to take legal redress in the courts for anything. No citizen loses that right by becoming a member of the House of Commons. It is quite clear, in all of the readings on privilege, that it is erroneous to presume that a member loses any of the rights of an ordinary citizen.

One of the most important foundations of a matter of privilege is that a member enjoys neither more nor less of the rights he enjoyed as a private citizen before coming into this chamber. That has been generally conceded today to apply to all members of the House. The question has become one of two, really. Is the Minister of Transport in some separate position from that of an ordinary member; and, second, in attempting to exercise the legal right of any citizen has the minister used an influence which is not described in the motion but has been referred to?

To suggest the minister has exercised what is no more than a legal right does not meet the point. Surely it must be suggested that the minister has used an exercise which goes beyond legal terms and legal means and has done something by the use of undue influence as a result of his position as a minister. Those are the ingredients which are important if the alleged question of privilege is to succeed on those grounds.

I have not heard much discussion on those points, but I have heard discussion on some other points which were developed before. If other hon. members want to contribute, I hope their comments will be in respect of those points.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will try to limit my remarks to the points you have just made. The question before the House is whether the minister has acted beyond what a citizen or even a member of parliament should, and whether his office, in fact, came into play in regard to these events. It is impossible to know that in terms of this debate. That is why I thought the minister would have welcomed an inquiry to determine whether he did abuse his office. Why does he protest so much if, in fact, what happened is as the minister has set forth in the House? It seems to me there is an excellent argument for examining before an objective body this most serious question as to whether a minister of the Crown was not protecting himself but protecting his office, which he has no right to do in terms of telephoning or contacting newspapers.

● (1620)

The second point I want to make is this. There is legal procedure which the minister could have used in the circumstances. He could have proceeded by way of *ex parte* interim injunction.

Mr. Lang: I did.

Mr. Leggatt: If the minister did get an injunction, no doubt he will tell us which court he went to and which judge granted him that injunction. That procedure was available to the minister and it would have put the conduct of the minister beyond question. A judge would have had the opportunity to review the facts upon which the minister was alleging libel, and the matter would not have come before the House as it has if the minister had simply instructed his lawyers to proceed forthwith to obtain an injunction of the court against that particular publication. But that is not, as I understand the facts, Mr. Speaker, what occurred. What in fact occurred is that the minister's representatives contacted the newspapers, and only an inquiry can determine whether the minister's name as minister was used and whether the office of minister was used to control what essentially is the freedom of the press.

The point made by the hon. member for Vancouver-Kingsway (Mrs. Holt) dealt with her own lawsuit, a lawsuit which took place after publication. This matter, of course, took place before publication. I am one of those who has criticized the press on many occasions. But ministers of the Crown, in the way they deal with the press, are in an extremely sensitive position. It is a very fine line as to whether they are protecting their office or their personality. It seems to me, Mr. Speaker, that the only way you can determine in this case whether the minister has, in fact, abused his office is to accept the question of privilege put forward by the hon. member for Peace River (Mr. Baldwin) so that this House and the country can be satisfied that no abuse of the privileges of the House took place, or there was no abuse of the privileges of the press. I would have expected the minister to welcome such an inquiry so that he can be completely and openly cleared.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to make some very brief comments. When a Crown minister makes a phone call to a judge concerning a case, his action might be interpreted as interference in the due process of justice. When a minister—

[*English*]

Mr. Lang: Mr. Speaker, I rise on a point of order, since both the hon. member who is speaking and the previous hon. member seem to be under a misapprehension of fact and I think it would be useful if I cleared that up for them. There has been no suggestion by anyone that I at any time telephoned any newspaper in this connection. I did discuss the issue with my solicitors. My solicitors approached the two newspapers in question and indicated that a *quia timet* injunction was indeed the remedy which would be sought. Faced with that suggestion on the part of my solicitors, the newspapers reviewed their position and, in effect, settled out of court by agreeing not to publish and thus not to create the issue which would have followed in a court action. I think hon. members should know that that was the procedure that was followed, which I take it the hon. member for New Westminster (Mr. Leggatt) would agree was a reasonable approach in the circumstances.

[*Translation*]

Mr. Fortin: Mr. Speaker, the minister should not think we do not understand the problems. We understood very well. We know all this but I say that when a minister or an hon. member

interferes with the due process of justice, be it even a mere request for information to know the status of the case, this action on the part of the member or his lawyer could be interpreted by the judge as an attempt to interfere with the due process of justice. When a member or a minister, directly or through designated persons, his lawyers, put pressure on the management of newspapers or other media to prevent the publication of some articles, I consider it as interference with the freedom of the press and particularly as a direct threat to the right to information of the Canadian public. And the situation is even worse if those articles are not favourable to the person who exerted indirectly that pressure.

The hon. member for Maisonneuve-Rosemont (Mr. Joyal) severely criticized the actions of the whole Liberal party and I consider that it legitimizes the proposed motion. In any event, in this country we shall study the right to information of the Canadian public which is obviously more and more restricted by interference and political interests.

Mr. Speaker, particularly in the province of Quebec, we just need to witness a growing trend toward concentration of powers by the press as in the case of Power Corporation which as you know is very close to our Liberal friends to understand that what occurred in the case of the minister has probably been happening for a long time and very often and it demonstrates that when you are in power you seem to have all rights.

[*English*]

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, having spent a couple of years in the chair of the privileges and elections committee does not make me any more competent than any other member of the House to make a contribution on this subject, but I did bear a couple of scars in that process and perhaps I can comment briefly on the matter which is before us.

The first point I want to make is that Your Honour seems to have made very clear to the members of the House that in no circumstances does becoming a member of parliament, a minister, the leader of the opposition or the prime minister in any way reduce the civil and legal rights of any citizen. I thought I had been hearing arguments which were extremely close to that proposition, and I was very glad to hear Your Honour indicate to members of the House that that was absolutely ludicrous.

A second proposition which might be made, as was made by the hon. member for New Westminster (Mr. Leggatt), namely, that an action by a member of parliament in which he threatens the use of civil procedure might in some way be wrong, illegal, immoral or in some fashion be a defence of the minister's position or his office, also falls by the wayside very rapidly, for the same reason that Your Honour gave from the chair, namely, that the right to take an action is not diminished by becoming a member of parliament or a minister. That is, of course, precisely what the hon. member for New Westminster has been arguing, that once you become a member of this place you are somehow prohibited from recourse to your civil rights.

[Mr. Fortin.]

The hon. member for Winnipeg North Centre (Mr. Knowles) made a worthy contribution, and I should like to endorse what he said. Every time a matter of privilege comes before this House for debate we go into a kind of song and dance as to whether or not a member who makes an accusation automatically puts his seat on the line. He does not.

Mr. Speaker: I might ease the hon. member's mind on that. There is no confusion on that point; that question is clearly settled. The question whether or not a charge has to be laid in order to get a matter before a committee is a totally different question; but there is no precedent at all which supports the thesis that a member, by making such a charge, puts his seat on the line or that he has to put his seat on the line in order to make such a charge.

Mr. Blaker: I apologize, Mr. Speaker, for making that point again, but I thought that since it comes up consistently and repeatedly, it was worth making. Another point I wanted to make is—

• (1630)

An hon. Member: Sit down.

Mr. Blaker: —related to a prima facie case as to whether or not this is a question of privilege. To the best of my knowledge—and I am forced into the position of making a negative argument—I have never seen, in the two years I have had cause to look into precedents in this matter, any instance where the taking of a civil action by a member of parliament, a minister or other person of similar rank in the House of Commons, in any way constituted a diminution of the rights or privileges of any member of parliament. So far as I am aware—and I say this with great humility—the law of privilege makes it clear that it is in addition to those rights which we share with all other Canadian citizens.

The last point I want to make—it has been made by other members, but it deserves repetition—is that since the matter is raised in connection with the freedom of the press, I want to draw a comparison between the journalist or the editor who sees fit to go ahead and publish and takes the chance of having the case put before the independent judiciary for decision as to whether he is guilty of libel or defamation, and the one who does not publish. The issue is precisely whether or not there is truth and justification which will permit and encourage a free press to go ahead and print.

I gather from the comments made in the House that one of these two editors simply failed to have the courage of his profession, and instead of going ahead and publishing if he thought these accusations were truthful and valid, he showed the less attractive side of the profession of journalism and backed away in face of a threat of civil action. I think that no conclusion should be drawn from that event about the case of the civil rights of the minister, and any conclusion that members of the House want to draw should be drawn about the quality of an editor who did not give as his reason for withdrawing that he had made an error but stated his reason

as being that he could not face an independent court action against him.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, may I terminate the discussion by putting a couple of simple questions to you? May I suggest that, in the first instance, in the reference that you made to the rights of members being the same as the rights of average citizens, while it is true that we all enjoy the same rights and, I hope, we have no additional rights, it should be understood that the role of Minister of Transport transcends the role of the average citizen, at least in the perception of the public. In that context I ask you, Mr. Speaker, in view of the remarks made by the Acting Prime Minister (Mr. MacEachen) that the actions taken by the Minister of Transport (Mr. Lang) were no more and no less than an average citizen would take, what average citizen would have the opportunity to know in advance of the publication of such an article and, indeed, would have the opportunity to stop the publication of that article at least in the province of Saskatchewan? That summarizes the concern that I, at least, and other hon. members have. I would like now to see us begin the debate on the opposition day motion.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I did not intend to get involved in this potentially substantive question of privilege, as was said earlier by the hon. member for Don Valley (Mr. Gillies), and the hon. member for Peace River (Mr. Baldwin), but the last intervention of the Minister of Transport (Mr. Lang)—who was formerly minister of justice—prompts me to put these few points before Your Honour. They are in line with Your Honour's admonition given earlier today and what the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Winnipeg North Centre (Mr. Knowles) said, that the only issue is whether or not there is a prima facie case here involving the privileges of members of the House and of the people whom we represent.

I must say that I have not seen the article. I was on the move all weekend and I was not in Saskatchewan. I have not had a chance to read it. In terms of the details of the article, I have nothing to say on that, but I am intrigued by what the minister just said, namely, that he instructed his lawyers and as a result his lawyers made a phone call to at least two papers in Saskatchewan.

Mr. Lang: Not phone calls, letters.

Mr. Nowlan: The minister says his lawyers wrote letters to the papers in Saskatchewan. I would like to know when the minister was first apprised of the article. Was he given an advance copy? When did he give instructions to his solicitor? Were only the two papers in Saskatchewan involved, or were letters written to all the papers where this article would appear. And now that it has appeared, has the minister given instructions to commence a defamation suit against the papers which published the article? If he has not, is he suggesting a double-standard in defamation, that the facts in the article could defame him in Saskatchewan but could not do so in the rest of the country? I think those are most fundamental questions.

In conclusion, let me say that I think the most fundamental question, because of the weight of office that any minister has, is whether the papers in Saskatchewan—one of them being the Sifton group, F.P. Publications; and I am aware of some of their holdings—are presently involved in any regulatory functions such as share transfers or licence applications. Obviously, the minister did not talk to them and the minister's lawyers might not have known, but in the minds of the papers this might have been inferred as indirect intimidation.

I read in the paper today that Mr. Sifton said that while he did not like the articles and did not think they were good journalism, the straw that broke the camel's back and what decided the papers not to publish was, in effect, the phone call from the minister's lawyers. The inference there could be very invidious, Mr. Speaker, especially if one or both these papers are involved in a chain which has affairs, functions and relationships with some of the federal agencies which govern radio and television. Nothing is impugned against the minister today in a personal way. What is involved is his ministerial responsibility and, coming back to what was said here earlier, whether the weight of his office was used directly or indirectly to suppress the news of this land, and thereby the freedom of the press, which I think is a fundamental privilege of which we are all aware.

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, it never ceases to amaze me how far we seem to be able to stray in the House from the subject matter at hand. It seems to me that we are dealing rather specifically with a conflict of rights and responsibilities. We are trying to determine whether or not the freedoms that members have so eloquently expressed in terms of freedom of the press, transgress certain freedoms that belong to individuals and to members. I think we have to examine that question very closely.

I think, Mr. Speaker, you have laid to rest doubts about the right of members to have access to the courts, but what hon. members seem to have forgotten is the right of the other party to have access to the courts as well. Hon. members opposite seem not to have respect for the judiciary or the judicial process, and seem not to realize that were the papers themselves to feel aggrieved, they also would have the right of access to the courts for redress of the grievance. It seems to me that both parties have those rights. It seems to me, as well, that the papers, if they were challenged, as they were, had the right to make the decision, if they felt they were on sound ground, to publish the article and to run the risk of whatever action might or might not be taken, regardless of who suggested it; and the reason they elected not to do so is that they felt they were not on sound ground.

To proceed, as hon. members have suggested, and to send the matter to committee, I believe, puts us into an inquisitorial system that finds anyone in the House guilty before he is proven to be so. I do not think that is the way this country is run. It seems to me that the press has certain freedoms which I as a member of parliament and, indeed, all ministers have the

right and obligation to protect. However, what hon. members have failed to recognize and what they have failed to say anything about is the responsibility of the press to this country and to hon. members.

● (1640)

If hon. members have an obligation to protect freedom, they also have an obligation to insist upon press responsibility; and if, in fact, the rights of an hon. member are transgressed, we have an obligation to impose upon the press its responsibility either through the courts, through this House or through telephone calls. I suggest that if a minister has any responsibility beyond that of a member of parliament, it is to be more acutely aware of the freedoms and responsibilities the press has and to insist, even more strongly than a backbencher would insist, that those freedoms and responsibilities are honoured. In no way does that detract from the individual rights of hon. members of this House or of citizens of this country. In terms of protecting themselves and protecting hon. members of this House, the responsibilities of ministers are more acute because they also have to protect all the citizens of this country.

Mr. Speaker: There are other hon. members who have been encouraged to contribute at this late hour of the debate. We have now spent almost two hours on the subject. It is not that it is not an important subject, but we are prejudicing and putting in jeopardy one of the few remaining allotted days for opposition commentary in the House, and I do not want to restrict the rights of hon. members. After all, we are not dealing with the course of conduct of one minister. Reference has been made in a rather dramatic way to that course of conduct, but the reference must be taken as an indication of support for the main question which is really of a much broader context and is quite a different question. That broader question relates to some remarks made by the hon. member for Maisonneuve-Rosemont (Mr. Joyal) who has indicated, for valid reasons, his absence and his desire to participate. Therefore, the matter will stand until then. If there are other hon. members who wish to participate at that time, perhaps they could hold their comments now so that we can observe the opposition day.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Eighth report of Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

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

[Mr. Daudlin.]

[*Translation*]

MARRIAGE ACT

PRESENTATION OF PETITION RESPECTING ROCH AND MARIE-ROSE MORIN

Mr. Gérard Laprise (Abitibi): With your leave, Mr. Speaker, I wish to table a petition.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,249, 2,252, 2,308, 2,362, 2,383 and 2,402.

[*Text*]

DREE—POTS AND PANS FACTORY IN MONTMAGNY

Question No. 2,249—**Mr. Lambert (Bellechasse):**

1. Has the Department of Regional Economic Expansion received an application for subsidies from a French company wishing to open a pots and pans factory in Montmagny and, if so, was the application made by "Creuset"?

2. Has the Department of Industry, Trade and Commerce been in contact with one or more companies regarding the opening of new industries in Montmagny and the surrounding area and, if so (a) what are the names of the companies (b) how far have negotiations progressed?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Industry, Trade and Commerce as follows: 1. (a) Yes. (b) Yes.

2. There have been no contacts with companies regarding the opening of new industries in Montmagny and surrounding area.

QUEBEC UNEMPLOYMENT INSURANCE COMMISSION

Question No. 2,252—**Mr. Fortin:**

1. Who was responsible for the approval of the expenses for the Special Inquiry Division of the Quebec Unemployment Insurance Commission?

2. Did Mr. Gabriel Béland, then general manager of the UIC in Quebec, refuse to continue the division and, if so, on what date?

3. Were fires started in hotel rooms at the (a) Queen Elizabeth (b) Ritz Hotel rented by the SID in Montreal and, if so, are the circumstances surrounding the origin of the fires related to Mr. Béland's decision?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. When the SID was set up in 1973, the Chief of Benefit Control approved the expenses for the officers of this Division in Quebec.

2. No.

3. (a) No. (b) No.

GRANTS FOR SOLAR AND WIND POWER ENERGY

Question No. 2,308—**Mr. Fortin:**

Does the government offer grants to those who intend to build houses that use (a) solar energy (b) wind power and, if so, under which programmes?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by Central Mortgage and Housing Corporation, the Departments of Energy, Mines and Resources and Urban Affairs as well as the National Research Council as follows: (a) No. (b) No. However, solar heating equipment and wind generating equipment are exempt from federal excise tax (Bill C-21, Part XVIII, January 28, 1977). A small number of single-family residential units were supported by NRC's solar heating R&D program in 1976-77, but that was not a grant program, and is not covering single-family residences in 1977-78. See also reply to question No. 1570, March 21, 1977.

CANADA PENSION PLAN BENEFITS

Question No. 2,362—**Mr. O'Sullivan:**

1. Are survivor benefits, paid under the Canada Pension Plan, regarded as taxable income?

2. How many individuals received (a) lump sum death benefits (b) monthly widow's pensions (c) monthly orphans' benefits (d) monthly disabled widower's pensions in (i) 1972-73 (ii) 1973-74 (iii) 1974-75 (iv) 1975-76 (v) 1976-77 and what was the total amount paid?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Revenue and National Health and Welfare as follows: 1. Any amount, including survivor benefits, paid under the terms of the Canada Pension Plan is regarded as a pension benefit for tax purposes, and is subject to tax in the year of receipt. In addition to benefits paid to a surviving spouse, the plan makes provision for payments in respect of surviving children. Despite the fact that the latter-type payments are made to the person or agency having custody and control of a child under 18 years of age, the benefit is income of the child and not that of the actual recipient.

2.

(a)	Number of lump-sum death benefits received by estates or individuals	Total amount paid
(i)	29,031	$12,550,000
(ii)	28,951	13,400,000
(iii)	31,601	16,500,000
(iv)	33,844	19,635,000
(v)	38,169	25,300,000

(b) and (d) In response to statutory amendments which became effective January 1, 1975, the benefit earlier paid to a disabled widower was outmoded due to the equality of status provisions contained in Bill C-22, 1974. Known as a spouse's pension from that date, both female and male surviving spouses qualify for benefits under equal criteria. The following two tables show the number of individuals in receipt of these benefits at year end, and the amounts paid for these benefit types:

	Individuals in Receipt		
	Widows	Disabled Widowers	Spouse's Pension
(i)	68,241	36	
(ii)	84,594	44	
(iii)			101,190
(iv)			120,861
(v)			139,415

	Amount Paid		
	Widows	Disabled Widowers	Spouse's Pension
(i)	$48,650,400	$31,900	
(ii)	62,620,100	47,600	
(iii)			$ 86,600,200
(iv)			117,140,100
(v)			150,256,900

(c)	Monthly orphans' benefits in pay	Total amount paid
(i)	61,996	$20,400,000
(ii)	70,963	25,000,000
(iii)	77,536	33,000,000
(iv)	86,541	41,200,000
(v)	92,794	50,000,000

UIC—LOUISEVILLE, QUEBEC

Question No. 2,383—**Mr. Fortin:**

1. Is there only one employee, who does not have the beneficiaries files, working at the office of UIC in Louiseville Quebec and, if so, what does the government intend to do to rectify the situation?

2. Is it the practice of UIC to require unemployed persons living in Louiseville to travel to Trois-Rivières, 30 miles away, to attend ICE Programme interviews and, if so, does the government intend to solve the problem?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. The U.I.C. has no office in Louiseville. Some services are provided by an employee of the local Canada Manpower Centre. The question will be considered when the two organizations are integrated.

2. A certain number of beneficiaries were required to travel from Louiseville to Trois-Rivières for interviews, but this practice was discontinued in August, 1976. In 1977, these interviews are to be conducted in Louiseville by an itinerant U.I.C. officer.

FUNDS CONTRIBUTED TO WESTERN STABILIZATION PLAN

Question No. 2,402—**Mr. Hnatyshyn:**

Are funds contributed to the Western Grain Stabilization Plan deposited in the general reserve of the government and, if so, will the government allow such funds to be deposited in Western Canada and therefore be used to benefit the Western economy?

Order Paper Questions

Hon. Otto E. Lang (Minister of Transport): In so far as the Canadian Wheat Board is concerned: The funds contributed to the Western Grain Stabilization Plan are deposited in the Consolidated Revenue Fund to the credit of the Western Grain Stabilization Account in accordance with the Western Grain Stabilization Act. The act only provides authority for the deposit of funds into the Consolidated Revenue Fund.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 952, 1,019, 1,312, 2,037 and 2,429 could be made orders for return, these returns would be tabled immediately. In each case the reason for desiring to answer the questions in this fashion is the lengthy nature of each answer.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 952—**Mr. Howie:**

Were outside consultants employed by the Department of Consumer and Corporate Affairs between January 1, 1975 and November 1, 1976 and, if so (a) how many (b) who were the firms or persons (c) what amount was paid to each (d) for what purpose (e) in each case, is the report available to the public and, if not, will it be published?

Return tabled.

CANADIAN TRANSPORT COMMISSION—PROPOSED PASSENGER RAIL PROGRAMMES

Question No. 1,019—**Mr. Clarke (Vancouver Quadra):**

1. What amount has been spent to date on analyses, studies and surveys conducted by the Canadian Transport Commission into the proposed passenger rail programmes?

2. Have any professional contracts been let for studies, analyses and/or surveys into the proposed passenger rail programme and, if so (a) how much was committed on each contract (b) to whom?

3. Has the Canadian Transport Commission accepted the proposal in the Sim's Report (presented to DOT task force, 1975) for one line of passenger rail service across the country, with feeder services from it and, if so, what cities, presently serviced by CN or CP, will no longer be serviced by the proposed lines?

4. Has the feasibility of consolidating the 1000 mile crossing of Northern Ontario, resulting in one rail line east of Winnipeg, been studied?

5. Have rail services for (a) short to medium distance rail services between major cities (b) commuting trips in and about major cities (c) long-distance trips across the breadth of the country, been upgraded since the Minister of Transport's policy statement on January 29, 1976?

6. Are any rail services for (a) short to medium distances between major cities (b) commuting trips in and about major cities (c) long distance trips across the breadth of the country presently subsidized and, if so, at what cost to the taxpayer?

7. In view of the situation in British Columbia, where Northland Navigation Co. was left uncertain as to whether or not its federal subsidy of $3.7 million would be continued, has the government considered the formulation of a policy which can be applied uniformally across Canada?

8. Are any transportation facilities, within Quebec, whose routes are from one point within the Province to another point within the Province, subsidized and, if so (a) which ones (b) what are the names of the companies (c) what is the cost to the taxpayer of the amounts subsidized?

9. Are any ferry services, presently operating within the Province of (a) Ontario (b) British Columbia, subsidized by the government and, if so (i) what are the names of the companies (ii) what is the cost to the taxpayer of each of the amounts subsidized?

Return tabled.

MURDERS IN FEDERAL PENITENTIARIES

Question No. 1,312—**Mr. Clarke (Vancouver Quadra):**

1. How many murders have taken place in federal penitentiaries during the past ten years?

2. In each case (a) what was the (i) name of the murderer (ii) name of the victim (iii) date (iv) penitentiary (v) circumstance (b) how was each case dealt with (c) what action has been taken to avoid similar incidents?

Return tabled.

NOISE POLLUTION STUDIES

Question No. 2,037—**Mr. Howie:**

1. Have any studies been done or authorized since January 1, 1975, by outside consultants, on noise pollution?

2. Are any departmental studies presently underway on noise pollution?

Return tabled.

NAMES OF CROWN CORPORATIONS

Question No. 2,429—**Mr. Gauthier (Roberval):**

What are the names of all the Crown corporations?

Return tabled.

[*English*]

Mr. McKenzie: Mr. Speaker, on January 24 I placed starred question No. 1493 on the Order Paper. It was a very simple question as to whether the government had purchased a Gulfstream 2 executive jet. This is the third time I have raised this matter. Starred questions are supposed to be answered within a reasonable length of time. It is absolutely ridiculous that the government cannot find out whether it purchased a Gulfstream 2, and I think the parliamentary secretary should give me an answer today as to why the government is deliberately delaying answering this starred question.

Mr. Lang: Mr. Speaker, I will certainly check into why that question has not been answered. I can also tell the hon. member that such an aircraft, which is for calibration testing of flight equipment, was purchased. I think that was revealed in the committee some time ago.

Mr. McKenzie: That still does not answer my question.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before calling orders of the day I should indicate that in accordance with our revised procedures for this month the questions to be raised tonight at six p.m. are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Airports—Charlottetown—Request for progress report on new terminal; the hon. member for New Westminster (Mr. Leggatt)—External Affairs—Maximum claim resident of British Columbia can make against United States in event of oil spill; the hon. member for Medicine Hat (Mr. Hargrave)—Drought—Consultation with provinces on programs for pumping water and drilling wells.

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING PREMIUMS, SHARE CAPITAL, ETC.

The House resumed, from Thursday, June 2, consideration of Bill C-3, to amend the Canada Deposit Insurance Corporation Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Macdonald (Rosedale):

Mr. Speaker: Hon. members will realize that we agreed by a previous order of the House that upon the calling of the orders of the day, which are upon us now, we would take deferred divisions at the report stage of Bill C-3, and immediately thereafter of Bill C-12, and that because the divisions were deferred to a specific time, the rule limiting the division bells to 15 minutes would apply. We shall, therefore, proceed now to call in the members.

The House divided on the amendment (Mr. Macdonald (Rosedale)) which was agreed to on the following division:

● (1650)

(*Division No. 48*)

YEAS

Messrs.

Allard
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Bussières
Cafik
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
Dawson
Demers
Dionne (Kamouraska)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Duclos
Ethier
Faulkner
Firth
Fleming
Flynn
Fortin
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Jones
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapointe
Laprise
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Orlikow
Parent
Pelletier
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Saltsman
Savard
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudel
Turner
Watson
Whelan
Young—115.

NAYS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Brisco
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crosbie
Crouse
Darling
Dinsdale
Epp
Fairweather
Forrestall
Gillies
Grafftey
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Korchinski
Lambert (Edmonton West)
La Salle
MacDonald (Egmont)
Macquarrie
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Oberle
Paproski
Patterson
Pigott (Mrs.)
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Towers
Wagner
Wenman
Whiteway
Whittaker
Woolliams
Yewchuk—67.

● (1710)

Mr. Speaker: I declare the motion carried.

I presume, without further necessity of calling in the members, it was always the intention that the one set of division bells would be applicable to both deferred divisions.

Mr. Macdonald (Rosedale) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? At the next sitting of the House?

Some hon. Members: Agreed.

Income Tax

INCOME TAX

MEASURE TO IMPLEMENT AGREEMENTS BETWEEN CANADA AND CERTAIN COUNTRIES TO AVOID DOUBLE TAXATION

The House resumed consideration of Bill C-12, to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: The deferred division is upon motion No. 2. I remind hon. members that a vote on this motion also disposes of motions Nos. 20, 22, 24, 26, 28 and 31.

The House divided on motion No. 2 (Mr. Stevens) which was negatived on the following division:

(*Division No. 49*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Brisco
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crosbie
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Epp
Fairweather
Forrestall
Fortin
Gauthier (Roberval)
Gillies
Grafftey
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
MacDonald (Egmont)
Macquarrie
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Oberle
Paproski
Patterson
Pigott (Mrs.)
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Towers
Wagner
Wenman
Whiteway
Whittaker
Woolliams
Yewchuk—73.

NAYS

Messrs.

Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Bussières
Cafik
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
Dawson
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Duclos
Ethier
Faulkner
Firth
Fleming
Flynn
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Orlikow
Parent
Pelletier
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Saltsman
Savard
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudel
Turner
Watson
Whelan
Young—109.

[Mr. Speaker.]

● (1720)

Mr. Speaker: I declare the motion lost.

Mr. Macdonald (Rosedale) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale) moved that the bill be read the third time and do pass.

Mr. Baker (Grenville-Carleton): On division.

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

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—TRANSPORTATION POLICIES

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

He said: Mr. Speaker, albeit we are beginning this debate a little late in the afternoon, perhaps before members representing the Atlantic provinces on the other side of the chamber wander off I could at least set the tone of the opposition motion which is before the chamber. I should have thought that the Minister of Transport (Mr. Lang) had caught enough hell in the chamber this afternoon, whether the causes and effects were outside his realm or otherwise to have prompted his hon. friends to pay a little more attention to some of the problems which are brought them from time to time.

I address myself to this motion with the feeling that the attitudes, the policies and programs of the government in this high-priority field of transport are failing desperately to bring

about the goal which, as many of us will recall, has been before the House for a number of years. I quote:

To bring about a greater balance in the distribution of people and in the creation and distribution of wealth between and within the regions of this country.

Mr. Speaker, those words were extracted from the primary study upon which the government has for the past four or five years based its transport policy in the various regions. I suggests to you with all the force I can command that the interpretation of policy in this field by the minister and by the government is having a diametrically opposite effect. Government transportation policies, or the lack of them, are seriously hindering efforts to reduce regional economic disparities. Moreover, the feeling of isolation which often exists away from major urban centres in this country is resulting in increased strains upon national unity.

The other day, in Halifax, I felt constrained to say to the transport committee that it had not come to the maritimes to examine the master transportation system alone, but was there testing national unity. My comments this afternoon centre on that statement. It is not only what is going on in the province of Quebec that is testing national unity; it is time we took account of the fact that there are other problems such as economic problems and regional disparity which are testing the national unity of this country. The thrust of my comments is a direct charge which I lay with deep regret against the present minister. Perhaps his former parliamentary secretary would sit down and allow the minister to listen to me; I am sure the people of Atlantic Canada would appreciate it.

Some hon. Members: Hear, hear!

Mr. Forrestall: This minister told us, back at the last conference with maritime premiers and the Newfoundland minister responsible for transportation, that we were wasting money on transportation in Atlantic Canada. He said, in the coziness of Prince Edward Island, something like this, and I want to quote from a communique issued after a meeting of the Council of Maritime Premiers in Charlottetown, P.E.I., on February 7 and 8, 1977: I quote from page 2 of this release, near the end of the section on transportation:

Mr. Lang, Mr. Morgan and the maritime premiers agreed in principle that improved passenger transportation could best be achieved by providing special assistance for upgrading bus and air services in the region, to be followed by changes to existing rail passenger services.

I will end the quotation there. It has not been taken out of context. That happened in February. About two weeks ago the transport committee, after much fanfare, showed up in Atlantic Canada to hear from the residents of the region about passenger transportation services there. The hearings were begun on a Monday in Halifax. Mr. Speaker, on the Thursday preceding the opening of those hearings, the minister—it was probably not the Minister of Transport; it is probable there was a joint release—told me in response to questions in the House that the report which I have in my hand represents the collective views of himself, his departmental advisers, the Council of Maritime Premiers and the Premier of Newfoundland through the respective transportation ministers or their representatives.

An hon. Member: That is right.

Mr. Forrestall: The province of Nova Scotia, at least, released to the general public the contents of a study entitled "Atlantic Region Intermodal Passenger Study—Final Report", dated March, 1977. It is interesting to note it was released three or four days before the transport committee commenced its hearings in Halifax by the federal-provincial committee on Atlantic region transportation consultants—I should say they are probably insultants—the IBI group in association with ADI Limited, and the Development Planning Association Limited, whoever the devil they are.

That study, Mr. Speaker, finally and irrevocably clarified the position of the minister and the government with respect to the transportation of passengers intraregionally in the maritime provinces and interregionally in Canada. The task of the transport committee was to determine how passengers could best be moved in our part of the country. That was its mandate, to examine the existing modes, including rail, and to report back. My charge is that the government gave to that group, through the Council of Maritime Premiers and Mr. Morgan, or through the so-called federal-provincial committee on Atlantic regional transportation a conclusion which it told them to justify. How can we in Atlantic Canada sit idly by and watch not only the work of the transport committee being thwarted by such action, but also the work of the Royal Commission on Transportation being carried out on behalf of the people of Canada by Dr. Sullivan of Newfoundland? The work of this commission has been prejudged, the work of the railway transport committee on passenger services has been prejudged, and the work of the Standing Committee on Transport and Communications was prejudged before leaving Ottawa to spend last week in the Atlantic region. These were prejudged because the Minister of Transport used his vast command to suck in poor little fellows like us in the Atlantic provinces. That is a disgusting word and I do not like it, but I like even less the fact that I believe I was sucked in by the minister, the government and its advisers. They knew exactly what they wanted and then hired some consultants to ratify it and justify it.

● (1730)

Some of the conclusions supporting the position of the Minister of Transport are so outdated, inadequate, and totally unacceptable that they have already raised the ire and the resentment of hundreds and hundreds of the maritimes. They have also raised the ire of organized groups in the maritimes who say the figures and the data being used are inaccurate.

On May 25, as I indicated earlier, the minister said in response to a planted question from the other side—and we are used to that—that we were going to get something in the order of $125 million in the Atlantic provinces to straighten out our transportation mess.

An hon. Member: Big deal!

Mr. Forrestall: Big deal is right. No further evidence is required by members of this Chamber on the question of the

movement of people in the Atlantic provinces. Such movement in and out of the Atlantic provinces was prejudged and predirected by the Minister of Transport. He offered us $125 million—$100 million to upgrade our roadbeds, $20 million to upgrade our buses, and $4 million to upgrade our air services. The council of maritime premiers or the Atlantic provinces regional transportation committee has asked the government for $1 billion and not $100 million. They feel they need that over the next eight or ten years to achieve what the Minister of Transport has suggested is going to be achieved in the next three or four years.

It is going to cost $260 million to fix up the potholes in the TransCanada Highway from St. John's to Port aux Basques. Are we to wait ten years, 20 years, or 30 years to have that done? What do they think we are in the Atlantic provinces? Where does Canada begin? If someone in St. John's wants to take a train ride from one end of this country to the other, he cannot. He has to take a bus. The minister has had his way for the first 1,800 miles, lopping off rail service. He has to go by bus all the way to Montreal, get off the bus there and get on a train.

I see the minister is indicating no. The report recommends eliminating all of that train service which will save $30 million a year. He wants to give us $100 million a year and save $9 million, $10 million or $12 million by eliminating the run between Halifax and Sydney on the Valley highway, the Saint John River valley train, the train through western New Brunswick, through Maine and through Sherbrooke on into Montreal. Where is that money going? Will that be new money coming into the Atlantic region? The thrust of what I am saying is that this is neither reasonable nor acceptable as an alternative.

The only people who will be travelling by air in ten years time will be businessmen and probably members of parliament. I hope the people of this country have sense enough to stay away from that expensive mode of transportation. They should use the train, or hitchhike. We will not be able to afford to drive our cars in ten years, if what we are being told is true. We will not have the energy. If the energy is there in terms of gas and oil, we will not be able to afford to use it. It will be too expensive for the average person.

Faced with this, what are we doing? We are abandoning our capacity to haul passengers by rail and substituting it with buses. Of course we need good bus service. I have never heard it said that we do not have good bus service. I have never heard it said by anybody until we were told so by a group of IBIs and ADIs or whoever they are. I wonder what they got paid. Any good research assistant of any member of the House of Commons could have read that in 30 minutes and been a lot more accurate in the writing of it. For the minister to try to fob that off as a rationalization and a justification for a position the government has adopted with respect to how people in the Atlantic provinces are going to travel, is a sad mistake. It will not be accepted.

I have been railing here for the past few minutes, but in conclusion I would like to refer to the Atlantic Region Inter-Modal Passenger Study on which the minister's program is based. It fails to compare costing for rail on the same basis as that for air and road. It ignores the extremely expensive infrastructure such as highways and airports which are required for the latter two modes of transportation. It assumes that present rail patrons will shift to buses once trains are removed. No evidence for such an assumption exists. Indeed experience indicates that such passengers will turn to energy wasteful automobiles or airplanes. The claim that buses are not more energy efficient than trains may be true in certain instances. For example, the government drives people away from trains, thus forcing the railways to operate trains with a limited number of passengers on them.

The noted environmental scientist, Barry Commoner, makes a strong case for a return to the rails in his most recent book, "The Poverty of Power". I commend it to the minister and some of the members opposite. He points out that the train is by far the most efficient energy user—630 passenger miles per million BTUs compared with 340 for buses, 120 for airplanes and 110 for private autos. More important, the train is the only mode of transportation, apart from small electric cars, that lends itself to electrification for the mass movement of people.

The report makes no reference to factors in which the rail mode excels, namely, comfort, security, safety, and ease of convenience for those who are aged or crippled, and for the youth of our country. It treats the improvement of rail service as excluding improvements to other modes, creating a false impression that better air and bus service are dependent upon rail cutbacks. The study's answer to more efficient inter-modal transportation seems to be to drop one of the modes.

● (1740)

Finally, it asserts that rail ridership continues to decline. In fact this trend has reversed quite decisively, based on the most recent figures available to us. I commend to members a reading of the brief presented by Canadian National Railways to the railway transport committee in Halifax about ten days or two weeks ago.

I have dealt with the savings that allegedly we are going to make out of moving away from rail to bus. I have dealt with the fact that this is not new money. I would ask the minister rhetorically what happens to the lost revenue and to the lost taxes paid by the hundreds of employees who will be thrown out of a job as a result of this move. How will this money be replaced by dollars and cents already in place in our community? We want answers to some of these questions.

There is a ground swell of resentment toward the posture adopted, accidentally or otherwise, by the government. I am not suggesting the minister had control over the timing of the appearance of the railway transport committee in the maritime region, but I am suggesting it is unacceptable to us to send such a distinguished group of commissioners as the railway transport committee to the Atlantic region to examine passenger travel in the area and, at the same time, announce a $125 million program which is designed to move away from rail

transport. In any event, even if it is not designed to do that, the money to pay for the program will come from what the minister refers to as the elimination of inefficient subsidies.

I suggest this is a serious charge. I am surprised that the minister permitted his advisers to put him in this position. As I say, there is a ground well of resentment over this policy which is reflected in letters which come into my office every day and which come, I am sure, into the office of every Atlantic member of parliament. Moreover, I feel very strongly that this resentment is now just starting to grow. Mr. Mingo, the distinguished chairman of the Halifax-Dartmouth port commission, put it this way the other day. He said that, contrary to the view of many in Canada, we in Atlantic Canada do not enjoy overwhelming subsidies. The port of Halifax, for example, enjoys only the subsidy of the "at and east" rates. We pay for everything else ourselves, apart from a small deficit resulting from the operation of the port.

To cut us out of passenger services will be doing not only the Atlantic provinces but Canadians in the 1980's a disservice. If what we are led to believe is about to come to pass, we will not have sufficient energy supplies in the maritimes. The energy that we do have will price transportation—vehicles, cars, buses, airplanes—beyond the means of the average Canadian. For example, we know that Air Canada is programming itself to carry no one but businessmen after 1982 or 1983, apart from a handful of jet setters who can afford to fly in any event. Certainly Air Canada will not be carrying, Mr. Speaker, my mother, your grandmother, your niece, uncle or children from Halifax to Regina, from Regina to Saskatoon, or from British Columbia back to Ontario for a vacation, because they will be unable to afford the fare. We are told costs are increasing too rapidly.

Why at this point in time are we downgrading rail travel as a means of moving passengers from one part of Canada to another? More important, are we doing it because the minister has directed that this be done? Why has he undermined the work of the railway transport committee? Why has he undermined the work presently being commenced by Dr. Sullivan in Newfoundland? Why is he so insistent, for the sake of $8 million to $12 million a year, on getting us out of the one mode of moving passengers—rail—on which, according to every shred of evidence of in front of us, we will have to rely in the early 1980's and certainly by the mid-1980's?

I do not understand, and the people of Atlantic Canada do not understand why we are cutting back when we should be attempting to improve and to upgrade our railways. We should be getting into electrification. We have to spend millions and millions of dollars on roadbed improvement, on continuing the welded rail concept. We need new switching, new signalling services. We must have better scheduling. Above all, we must have new rolling stock. If we undertake these improvements, passengers will come back to rail. Otherwise they will not move from rail to bus; they will move from rail to car, the most inefficient method of moving people around the country.

If my premise is wrong and we do have the energy to last till God only knows when—certainly to beyond our capacity to see into the future—then I wish somebody over on that side would stand up and say so. They have not done so. Instead, they confirm that we will be paying anywhere from double to triple the present cost of imported oil within the next six to eight years. This is why I cannot understand and, more important, why no one in the Atlantic provinces can understand how the minister can take such a stubborn position, how he can prejudge the work of the railway transport committee, the work of Dr. Sullivan, not to mention the work of the standing committee of this House which hopefully will report its findings regarding Atlantic Canada in the not too distant future.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in light of the importance of this debate and of other matters that have occurred to me, I wonder whether the House would agree to call it six o'clock so we can resume at eight.

The Acting Speaker (Mr. Ethier): Is it so agreed?

Mr. Baker (Grenville-Carleton): Mr. Speaker, the whip has just reminded me that we are having the late show at six, and there may be some difficulty in members reaching here.

Mr. Paproski: The hon. member for Hillsborough (Mr. Macquarrie) is here but the hon. member for New Westminster (Mr. Leggatt) is not.

Mr. Baker (Grenville-Carleton): We have lost a considerable amount of parliamentary time on an opposition day by votes and other things. There are still ten minutes till six and I think we should proceed. Frankly, if you are asking is there unanimous consent, Mr. Speaker, I will not give it.

The Acting Speaker (Mr. Ethier): There not being unanimous consent, I recognize the hon. member for Regina-Lake Centre.

Mr. Benjamin: Mr. Speaker, I was hoping that my good friend, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), would have continued until six, because we would have given him the time had he wanted it.

Mr. Paproski: You are a big sport now.

Mr. Benjamin: I am sure all hon. members would agree that they hate to have to start a speech and then resume two hours later. That is why I asked for unanimous consent; I am sorry I was not able to get it.

I want to add to and reinforce some of the remarks made by my hon. friend who just spoke. I want to commence by saying that the motion he has on the order paper certainly meets with our approval and is similar to one which has been moved by opposition parties on numerous occasions over the nine years I have been here.

• (1750)

I want to mention specifically some items which I hope the Minister of Transport (Mr. Lang) will deal with when he rises in his place. I hope also that he will tell the House that he is prepared, if not to change his mind completely, at least to

amend to some degree his previous hard-nosed and stubborn view.

We all depend on transportation, whether directly for free movement or indirectly for employment oportunities in our regions of the country. In fact transportation is our lifeline, the same as our telephone systems, hydro, water and roads. I submit that it must be treated as a public utility, an essential public service which everyone has to use, both directly and indirectly. When the government insists on maintaining the philosophy of the 1890's about commercial viability and competition in transportation, even in the face of some of its own members who say that competition does not work in transportation, then surely in the face of all the evidence we have had and in face of the views that have been expressed to members of the House individually, to committees of the House and to the Canadian Transport Commission, it is time for the government to make a fundamental change in the direction of the policy it has followed over the last number of years.

We cannot have equity and fairness in transportation if we adopt the principle of commercial viability and competition. The following has been stated by the Economic Council of Canada:

> In Canada, great distances and a small population unevenly distributed among the various regions render markets small and fragmented. The geography of the nation reinforces this. Canadians have traditionally regarded transport policy as a major vehicle to off-set such tendencies and to foster economic growth.

While the Minister of Industry, Trade and Commerce (Mr. Chrétien) exhorts all Canadians to conserve energy, to turn off the lights, and to be economical in the use of hot water to the point of almost inviting your neighbour to share your bath, the Minister of Transport and the government continue to bring about changes in our transportation system which result in a most inefficient and wasteful use of energy, which are the worst in terms of pollution, land use, safety, comfort, and convenience. In the face of all that, the government has consistently over the years brought about changes in the transportation policy that decrease the amount and quality of service which should be available to Canadians no matter where they live.

The minister and the government continue to advocate policies and legislation which will carry on what has been going on in this country for many decades. We will discriminate against people and goods because of where they happen to be or to live. We will fail to take into account our geography, our climate, where our people live, and where markets are available to us.

While there has been a great debate in most of Canada about the statutory Crowsnest Pass rates, the same thing applies to the "at and east" freight rates. They are not a misused subsidy—if I can borrow a phrase from the minister's remarks on a previous occasion—they are designed to place our country in a reasonably equitable or competitive position with our competitors in other parts of the world. The at and east freight rates allow Canadian grain producers, millers at Georgian Bay, the St. Lawrence Seaway and Atlantic coast ports, to handle grain, and mill wheat and flour in a reasonably competitive position with western Europe, the United States, Australia and Argentina, all of whom heavily subsidize, whether it be their ports, their railways or their grain prices. That is all they are intended to do. They are not a handout to farmers, a bailing out of some ports, some grain terminals or some flour mills. They take into account our geography, and they allow Canadian primary producers to be in a reasonably equitable and competitive position with other countries in the world.

In the Atlantic provinces the shifting of emphasis from rail, to the neglect of some ports, to super highways and air transportation, contributes to the misuse of energy and the misallocation of funds for transportation. When the Standing Committee on Transport and Communications was in Atlantic Canada last week we heard about transportation of potatoes in the Atlantic provinces. We heard the same complaint that we have heard from potato growers ever since I came to this parliament, that there are not enough refrigerator cars and that it makes sense to ship potatoes by rail but the railroads do not have many if any refrigerator cars to move the potatoes. That is what the potato growers told the committee. They also told us that truckers are not interested in moving potatoes if it means their trucks have to sit on the docks for a week, for ten days or two weeks, waiting for a ship to arrive. The truckers told us that 200 or 300 miles was too short a distance over which to haul potatoes.

Port officials and people connected with the port of Halifax told us that storage facilities for potatoes in Halifax are inadequate. But what does the minister do? He arranges for money to be allocated to highways and airports. It will not be of much use to the potato industry in New Brunswick and P.E.I.

May I call it six o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—CHARLOTTETOWN—REQUEST FOR PROGRESS REPORT ON NEW TERMINAL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, members of the House will not be surprised that I am bringing forward yet again the question of the provision of a modern, up to date airport at Charlottetown. I brought up the subject most recently on May 24 of this year, and on January 31 and December 17, 1976. *Hansard* will indicate frequent inquiries over many years to many ministers.

While I would not say that the airport question is the most important one facing our province, it nevertheless has the

highest priority and urgency and deserves and requires immediate action.

The basic problem is that the Department of Transport has not kept pace with the airlines serving our province. Eastern Provincial Airways, a most estimable firm, brought us into the jet age by providing direct, efficient service to Montreal. Later Air Canada, through its flights 654 and 655, linked Toronto and Ottawa to the cradle of Confederation. But while the airlines were in the jet age, the airport stayed in the prop age. The terminal is far too small, there are too few seats, there is a deficiency in many of the basic amenities which a modern airport requires.

Like its sister Atlantic provinces P.E.I. would prefer to strengthen its own economy rather than depend on what are sometimes unjustly, wrongly, and outrageously called handouts from Ottawa.

One of the logical and most promising areas of self help is in the realm of tourism. But if we cannot get the people into the province with a modicum of comfort and convenience, we cannot aid the expansion of the tourist industry.

Prince Edward Islanders are friendly people and we give a warm welcome to tourists who usually number about ten times our own population. But amiable though we may be, we do not care for standing on one another's insteps at the Charlottetown airport. On previous occasions I have indicated the number of chairs in the waiting room and compared this miniscule number to the seating capacity of any one of the planes serving the airport. I will not repeat that mathematical exercise today.

● (1800)

Since posting this question for adjournment proceedings—indeed, just a short while ago—I received a letter from the minister which I regard as good news indeed, and I am sure he will not mind my reading it.

In reply to the question you raised in the House on Tuesday, May 24, I am pleased to report that preliminary design work of the new ATB at Charlottetown has now been completed. During this stage, there has been continued close consultation and co-operation between provincial and Transport Canada officials, and the resultant design incorporates modern passenger processing facilities in an aesthetically attractive setting.

Final agreement with all airport users on cost recovery, consistent with Transport Canada policy, is expected to be reached in the next few weeks, and is the one outstanding pre-requisite before Treasury Board approval-in-principle for the development program is requested.

I repeat that that is good news indeed. Charitable and forgiving as I am, I will omit today my usual references to delays and procrastination, and congratulate the minister for his report of progress. I am delighted that a design combining aesthetic and efficient features has been arrived at. If no one else has a kind word today for the Minister of Transport (Mr. Lang), I do not mind breaking the train of thought in this Chamber and speaking in candor and honesty and saying that in this regard he has done a fine job. I commend him for it. I can only say to the minister, through his parliamentary secretary or whoever replies to me, press on with dispatch. We islanders deserve action, not because we are virtuous—which of course we are—but because we have waited a long time. A new, adequate airport at Charlottetown will be a major contribution to the transport element in Atlantic Canada.

If I am the only one to say so in this Chamber today, I say that at least to me this is a great deal. I say "thank you" to the minister, and God speed in his final act to give us what we need so badly.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is very gratifying to hear just before dinner such encouraging words from the hon. member. I am sure the minister will be happy, after all that has been said today, to find a member of the opposition who spoke so kindly about him, indeed, much more kindly than some of his colleagues. Mr. Speaker, in the name of the Parliamentary Secretary to the Minister of Transport (Mr. Roy), for the information of the hon. member I should like to read the answer given by the department.

[*English*]

Mr. Speaker, the minister wrote to the hon. member on this subject as recently as late last week, but I would like to provide some amplification at this time.

Resulting from continuing and amicable discussions between the premier of Prince Edward Island, some of his cabinet colleagues and senior provincial officials with Transport Canada officials there is now general agreement on terminal design and on the balance of the program to upgrade facilities at Charlottetown. As a result of the close consultation and co-operation, we have achieved a design which incorporates modern and efficient passenger processing facilities in an aesthetically attractive setting.

Final agreement with all airport users on cost recovery, consistent with Transport Canada policy, is expected to be reached in the next few weeks. In the meantime discussions are continuing in a close and co-operative way, and we are not unhappy with the manner in which plans are progressing.

Transport Canada will shortly be seeking approval for the extensive program, to be accomplished over a period of the next five years. The new air terminal building is expected to be the first of several projects to be completed within the next couple of years.

We all join the hon. member opposite in eagerly anticipating the day when we can fly into what will most certainly be a welcome addition to the city of Charlottetown.

EXTERNAL AFFAIRS—MAXIMUM CLAIM RESIDENT OF BRITISH COLUMBIA CAN MAKE AGAINST UNITED STATES IN EVENT OF OIL SPILL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, this matter arises as a result of a question that was asked of the Secretary of State for External Affairs (Mr. Jamieson) on June 2 last. The question was in two parts, the first dealing with the maximum amount of money that British Columbia residents would be able to claim under the law against the United States government in the event of an oil spill. The

question was prompted by the decision of the Kitimat consortium to withdraw their application for a pipeline at Kitimat thereby leaving the waters of British Columbia at a much higher risk because of the expected increase in the volume of crude oil that would be carried from Alaska.

We have known for a long time that the Aleskya line will have a surplus; we have known for a long time that the United States will have to find a way fo bringing that surplus to market; we have known for a long time, in fact since the days of David Anderson, who was a Liberal member of this House from Victoria back in 1968, that the waters of British Columbia would be placed at very substantial risk as a result of this project. The warning of the risk has always been there and has always been high. Yet here we are today, some eight years later, debating exactly the same thing that the Liberal member, David Anderson, debated in this House such a long time ago. That is a condemnation of the government for failing to take a co-ordinated stand in regard to the use of the waters of British Columbia, and secondly, for acting as a dog in the manger and not providing any feasible alternative for the Americans to avoid the certainty of pollution. When I say the certainty of pollution that is what I mean.

In spite of all the new radar systems that are available, in spite of the new Loran system, in spite of the $16 million that the government is presently spending in terms of water transport regulation in those waters, when a 50-mile an hour gale hits the Georgia Straits and a super tanker loses power, there will be a massive oil spill in spite of all the regulations. I am willing to concede that the United States has now developed very strict regulations for the use of its tankers. We are going to have the certainty of an oil spill in those straits, however, and our government will stand condemned when that occurs because it has had enough lead time year after year to have presented a positive proposal for carrying that oil to market.

I stress that the minister has had an opportunity to examine the whole question and I hope we will receive a specific answer on what the limits to claim are for British Columbia residents. It is not as though there were no feasible alternatives to carrying the U.S. oil to market without using the waters adjacent to British Columbia. A proposal has been made in this House by the hon. member for Victoria (Mr. McKinnon) that Gray's Harbour should be developed as a port on the Pacific so that none of the interior waters need be used by tankers. That proposal was worthy of investigation by the government, but it did not see fit to do so.

We have the use of the port of Los Angeles to take the surplus Aleskya oil but the reason the United States is not using that port is that environmental groups in Los Angeles have more clout than our people, and have impressed the United States government about the environmental sensitivity of those waters. That is one of the reasons why they will not carry that oil to United States ports.

The pipeline for Alaskan oil should have been a feasible project, but the answer the minister gave me was that no application has been made to the National Energy Board. Surely the government can do more than that do see that we do not suffer massive oil pollution in British Columbia. Surely some leadership should be shown by the government.

● (1810)

Last but not least, the British Columbia government made a proposal for transporting Alaskan oil by rail. That proposal is still feasible. The original proposal was for taking oil from Prudhoe Bay, but the present proposal to take oil from Fairbanks is still feasible. You know, pipelines suck energy from one place but put nothing back for the residents. If we had built a pipeline on the prairies to carry wheat in John A. Macdonald's days, few people would now be living on the prairies. Therefore the question of the pipeline itself must be considered seriously.

The rail proposal was made back in 1973 and deserves serious study. Certainly we should have studied the proposals for alternate routes made by David Anderson and others in this House; we should have encouraged the Americans to consider them. Putting it simply, we should have shown leadership for developing with the United States a joint oil port. We may need it if we must bring oil across the Pacific, for one day we ourselves may run short of western oil. Surely the government could have sat down with its counterparts and said, "This interior channel route is entirely unacceptable to British Columbia. What can we do together to solve difficulties concerning the Juan de Fuca Islands, the American islands at risk, and our own islands?" We did not do that. We sat idly by and now are presented with a *fait accompli* in British Columbia. The federal government stands condemned for letting down the citizens of British Columbia and for not providing for the transport of Alaskan oil away from our waters.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the first question raised by the hon. member concerns the claims that Canadian residents can make against the United States in the event of an oil spill.

Under the U.S. Trans-Alaska Pipeline Authorization Act, a fund of $100 million has been established for payment of claims for damages resulting from discharges of oil from these tankers, on a basis of strict liability without regard to fault. These remedies are expressly made available to residents of Canada.

A new bill has recently been introduced in the U.S. Congress which would supersede the liability and compensation provisions of the TAPA Act. This bill, the Comprehensive Oil Pollution Liability and Compensation Act, provides for an increased liability fund of $200 million, and some of the concerns expressed earlier by Canada have been taken into account in the drafting of the new legislation. Other concerns are under discussion between Canada and the U.S.A. while the draft legislation is under consideration by Congress.

The second question concerned negotiations with the United States on alternatives to the use of Cherry Point by oil tankers. A variety of port alternatives has been studied and preliminary conclusions reached by Canadian authorities. These studies

indicate that there are no sheltered harbours or anchorages between California and the Strait of Juan de Fuca which could be practically developed as terminals for tankers above 80,000 tons. Offshore facilities such as buoys appear to be ruled out by the difficult climate and ocean conditions in the area. These conclusions unfortunately appear to rule out Gray's Harbour and other similar options.

It is our understanding the SOHIO Long Beach proposal would supply only a few of the easternmost U.S. Northern Tier refineries with the crude oil they require. The project cannot, therefore, be viewed as a satisfactory full alternative to proposed northern routes.

Among the Puget Sound options, we have concluded that Port Angeles, although not strictly satisfactory from the Canadian point of view, would be a less hazardous location than Cherry Point for a major terminal. This conclusion is know to the United States government.

DROUGHT—CONSULTATION WITH PROVINCES ON PROGRAMS FOR PUMPING WATER AND DRILLING WELLS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question raised during this adjournment debate relates to the question I raised on May 5 as reported in *Hansard* on pages 5304 and 5305, when I dealt with the drought in southern Alberta and southwestern Saskatchewan. In particular I raised the matter of surface water for livestock, and of domestic water requirements of rural communities and small towns in that area. I want to give the House a brief update, if I may call it that, on the western drought situation.

Over the past couple of weeks the news media and many individuals, not only in eastern or central Canada, but in parts of western Canada, have assumed that the drought is over. That is ridiculous. It is true we have had some generous rains. They have brought a happy ending to last month's drought in the west, but not across the whole drought area. I speak of that area taking a line from west of Bassano, Alberta, running into the foothills of the mountains and cutting across to Swift Current, Saskatchewan. South of that line we still have very serious drought conditions.

Most of this area has had less than two inches of rain, and some less than one inch. I live right in the centre of this area. What rain we have had has come in small local showers. There was no deeper suboil moisture to connect with these small, scanty rainfalls.

A week ago yesterday I flew from Calgary to Medicine Hat by Time Air in a light plane at low elevation. Over the next two days I drove over all of my range along the Alberta-Saskatchewan border and northeast of Medicine Hat. That is a considerable area, covering not only my own range but a good many of my neighbours.

It is true that the limited rainfall did start our grass, but only start it. That was about three weeks ago. That grass has now stopped growing. It has that pasty yellowish-green colour that I know so well that precedes the stage of drought when the leaves start shrivelling up from lack of moisture.

Our surface water situation continues to get slowly but definitely worse day by day, and this will continue throughout the summer. There was no rain run-off to help the water situation.

Many cattle producers are trucking water for their stock. Some have been doing this for up to two months. These conditions cover a large area across southern Alberta down to the American border and into southwestern Saskatchewan. I emphasize that it is very, very serious. The drought continues unabated in this area.

Following the statement in the House on May 6 by the Minister of Agriculture (Mr. Whelan), the day after I raised this question, it was given good press coverage in the west. However, there have been few details, if any, since, especially details with regard to the well drilling and digging program and water pumping, both from wells and rivers.

The PFRA field office in Medicine Hat has had little, if any, policy instruction. The Alberta provincial assistance program has been much better publicized. Their pumps and pipelines are now available for action.

During my response to the minister's statement in this House I suggested that the minister give more emphasis to and have more publicity on this program and the need for open, regular public information on the total drought picture. There has been very little, if any, even after his Regina meeting when he met with his special action group—only a brief statement that the meeting was held. There has not been any substantial information. This suggests that the minister does not have anything to report. Either that or he feels that the drought is over. Surely he is better informed than that.

I urge the minister to authorize and indeed speed up the PFRA well program and the pumping program. He should allow special leeway for extra deep wells or wells which are likely to cost extra capital amounts, and include pumping. I am not certain, but I believe my suggestion with regard to the eligibility of dug or bored wells has been accepted. If that is the case I am most grateful and I thank the minister and his staff.

● (1820)

I have another serious suggestion, one which I hope will receive the same attention. The limitation of PFRA assistance to only one project a year has been relaxed, and two projects are now eligible. This is not enough. This is the time, under drought conditions, to carry out water conservation projects. It is time to get these things done, and the limitation to which I have referred should be removed completely so as to encourage more and more water storage and conservation projects. No cattle producers or grain farmers could possibly take advantage of such a special policy—the high cost of dirt moving will take care of that.

Will PFRA bring about some special water projects in the Suffield block on both sides of the river? Requests have been made for such assistance to include wells and river pumping up and over substantial river banks and distances. I hope serious attention will be given to this, soon.

Will my request for special pasture allotment for sheep in the Suffield area be given consideration? Finally, I want to comment on the fact that the new director of PFRA was announced a week or so ago as being Dr. Harry Hill. I welcome his appointment. I understand he has impressive credentials. I do not know this gentleman very well but I am told he is not to take over until September 1. I suggest to the minister and to the parliamentary secretary that this is not early enough. He should be there now.

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am sure the hon. member will understand that it will not be possible for me to answer many of the points he has raised. They are well taken, especially the one about the publicity given to the federal program which we have worked out with the western provinces. I will bring the other points the hon. member has raised to the attention of the minister.

The recent rains in the prairie provinces have done much to alleviate water and feed supply shortages in the west resulting from drought conditions. However, certain areas still requiring rain and water supplies remain a major concern.

After a recent meeting in Regina with the provincial ministers concerning the drought situation, the Minister of Agriculture (Mr. Whelan) announced that the Minister of Regional Economic Expansion (Mr. Lessard) had received Treasury Board authority to enter into 50-50 cost-sharing agreements with the provinces of Manitoba, Saskatchewan and Alberta for two new assistance programs for rural communities and for farmers to assist them in drilling deep wells. These programs are in effect from April 1, 1977, to March 31, 1978. The total federal contribution could amount to some $2.7 million, with $1.2 million allotted to community wells and $1.5 million for the farm wells program. Assistance is availale to the three prairie provinces to finance deep wells and associated water pipelines for rural communities with a maximum federal contribution of $15,000 for each project.

The farm wells program is an extension of the existing PFRA program. It offers farmers a special incentive of up to $950 for drilling deep wells to a maximum of 440 feet. Wells, dugouts and stock watering dams have been eligible for up to $550 each, and irrigation schemes for up to $600. The maximum level of federal assistance is now $1,500. Both programs are to be administered by the PFRA administration and the Regina task force is working with the three prairie provinces to formalize agreements for the water supply program.

It is also a fact that in certain parts of the prairies no deep water is available and that the deep well assistance programs would not be suitable. Bored or dug wells are therefore to be included in the well-drilling assistance programs.

These water supply programs should provide a longer term solution to the prairie water supply problem. The pasture and winter feed supply situation is being monitored by the Regina task force, and farmers are being encouraged to produce feed from alternative sources, such as oats.

[Mr. Hargrave.]

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Ethier): It being 6.30 o'clock p.m., I do now leave the chair until eight o'clock p.m.

At 6.28 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—TRANSPORTATION POLICIES

The House resumed consideration of the motion of Mr. Forrestall:

That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am glad at least 20 members have shown up by 11 minutes after eight, but I was hoping that the Minister of Transport (Mr. Lang) would be here since the debate is about transportation. I was also hoping that the mover of the motion in the official opposition would be here since it is his motion.

I want to resume the comments I was making when some hon. members gratefully called it six o'clock so I could not speak any longer. I was mentioning the potato growers in the Atlantic provinces whose problems are not new.

● (2010)

I can remember asking questions in the House in the fall of 1968 and the spring of 1969 about refrigerator cars and storage capacity for potato growers at the ports of Saint John and Halifax, so there is nothing new about the problem. The trouble is that we still have old line parties in the government and in the official opposition.

What I want to say is that in the port of Halifax one of the things that was presented to us most clearly, when we were there with the transport committee, from various and sundry users and operators of the port, was the desperate need for a fast move on the extension of the container facilities at the port of Halifax. We were told that if it does not happen fairly soon, the port of New York will steal some of the business which should rightly be ours. When the transport committee

was in the Atlantic provinces last week, we were told that this was to the detriment of the port of Saint John or anywhere else in the Atlantic provinces. I was hoping that the hon. member for Dartmouth-Halifax East (Mr. Forrestall) would have mentioned that in his remarks earlier this afternoon. No doubt some of his colleagues will speak late this evening to expand on that.

I want to repeat my contention which I have held over a number of years, particularly since the Minister of Transport was appointed after having been minister of justice and also in charge of the Canadian Wheat Board, that in every year since those desperate days every move he has made was designed to put the users of transportation in this country in a position where they were no better off and, more likely, worse off than they had been. His proposals for changes in the Transportation Act return us to the 1890's. I have heard little objection to that from the official opposition who also believe in competition, commercial viability and profitability in transportation, even though governments of different political stripes from the extreme left to the extreme right, and of every stripe in between, in at least two dozen other countries in the world have thrown out those concepts two or three decades ago.

Our country must recognize our geography and our climate and provide a system of equalized or subsidized freight rates. It must make a deliberate decision that people and goods will move in the most efficient way, whether it be on the short haul, medium haul, or long haul.

The Atlantic Provinces Truckers' Association confirmed what I have long believed, namely, that the hauling of bulk heavy commodities for anything over 200 miles was wasteful and inefficient. The railroads admit that they cannot do a better job with heavy bulk commodities because they cannot bear the capital costs of our rights of way, trackage and roadbed and recover the costs from the users. There is nothing new about that. The fact of the matter is that every mode of transportation since before Confederation has been subsidized and has required investment from the public purse at the municipal, provincial and federal level. It has always been thus.

If we are not prepared to return to the toll roads of the early 1800's or late 1700's, to return to a system where only the rich can travel or only those who can afford the cost of moving goods and services can be in business, then surely the government and the minister must get away from the nineteeth century concepts on which they are trying to operate. In fact some members of the official opposition have faced up to this. Some remarks of their spokesmen today who quoted Transport 2,000 and the submission made to the Committee on Transport and Communications in the Atlantic provinces in recent weeks indicate that there might be some members in the official opposition who are prepared to forget about commercial viability and profitability in transportation.

The hon. member for Dartmouth-Halifax East spoke about the four Atlantic premiers being sucked in, and he did not like that phrase. I called it a con job. The four Atlantic premiers were either conned or they gave away the store in giving up some statutory rate provisions in the Maritime Freight Rates Act or the Atlantic Region Freight Assistance Act in order to get $100 million for roads and $25 million for airports. That flies in the face of energy conservation, of the most economical and efficient use of transportation. They were conned rather than sucked in. I find it passing strange how anxious those four Atlantic premiers or their representatives were to accept this package from the Minister of Transport.

I submit that the people in the Atlantic provinces have been betrayed again. A benefit they had had for many years they gave away, for what? There is some kind of biblical phrase that perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) knows better, which refers to a mess of pottage. That would apply to these statutory rate provisions which the maritime premiers gave up. Now it lies in the hands of the Minister of Transport to select the commodities which might or might not receive the benefits that they would otherwise receive under the statutory provisions regarding freight transportation.

The Minister of Transport, in collusion with two Liberal and two Tory premiers in eastern Canada, has betrayed the people again, and will continue the discrimination against people and products because of where they happen to live or be located. There will be no change. When you put $100 million into some more highways in the Atlantic provinces, which are relatively short compared to those in northern Ontario and western Canada, you will increase the use of energy and the cost of transportation, most of which will be borne by the provincial and municipal governments. That is why I say that if the hon. member for Dartmouth-Halifax East thinks he has been sucked in—I chose the word conned—the fact is that the Atlantic premiers gave away the store. They have been party to a perpetuation of a transportation system operated on principles that have been shown to be not some socialist dogma but that have been shown to be inadequate, insufficient, and incorrect in dozens of other countries.

The minister is accused in a recent publication—which I will not refer to because I might be out of order—as a man who has never admitted he was wrong on anything. I do not know if he would ever admit he is wrong on the time of day even if his watch were out. It is time the Minister of Transport just once admitted that commercial viability and competition in the major modes of transportation not only do not work but also perpetuate discrimination against people in the Atlantic region, on the prairies, and in the far north. There is no way a federal government or any province can justify, for example, a dozen eggs costing $4 on an Arctic island. That is unfair and unjust. It is unfair that it costs $1.80 for two quarts of milk in Yellowknife. Surely on essential things which everyone has to have—

• (2020)

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired. Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Benjamin: I find it strange that the national government and the governments of ten provinces and two territories—so that includes all the political parties—are able to equalize the price of a bottle of whiskey. I am known as a fellow who enjoys the odd drink once a month.

The price of a bottle of whiskey at Yellowknife, Rankin Inlet and anywhere in Newfoundland, British Columbia or any other province is equalized, but when it comes to a quart of milk, a head of lettuce, a pound of tomatoes, a bag of flour, a tank of propane fuel, or a tank of heating oil, the principle of the user shall pay applies. My party and I contend that that is an indecent way to treat people in this country, and the governments of this country, of every province, or every territory, and in particular the Minister of Transport, are guilty of allowing this to continue. A system of equalized and/or subsidized freight rates which allows people a natural advantage in the production of agricultural products or mineral products whereby these products can be processed where they are found is just, decent, and fair.

Why is rapeseed processed in Toronto or Montreal? Not a bushel of it is grown there. Why can people not have fresh milk, fruit and vegetables in Labrador, in the Northwest Territories or in rural Saskatchewan for the same prices they can have them in downtown Regina or Toronto? The minister, his government and the official opposition should face up to the reality that no matter where you go in this world, competition in transportation does not work.

We should treat people fairly no matter where they live. If we are all part of this confederation, we should not charge $4 for a dozen eggs in northern Canada or $1.80 for two quarts of milk in Yellowknife. If we cannot do better under this kind of system, we should eliminate competition and profitability in transportation.

Mr. Breau: Who is going to pay for it?

Mr. Benjamin: The nation as a whole should share this cost. If hon. members do not mind this expression, it is called co-operation. It is even called co-operative federalism, or a co-operative commonwealth.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to speak on this motion this evening dealing with a very important matter. Indeed, there are not many issues in Canada which give rise to so much emotion and so many political debates as transportation. I read once a paper referring to some research made on the political interventions of members from the Atlantic area since the beginning of Confederation up to 1971 which had shown that transportation was the matter more often discussed and dealt with by the members from the Atlantic area. Of course, in a country as big as Canada, it is normal that transportation would be constantly discussed.

I find it funny when I listen to hon. members such as the member for Regina-Lake Centre (Mr. Benjamin), who were shocked because a dozen eggs and a quart of milk are apparently very costly in the north. Those people do not mention who should pay for transportation costs.

Mr. Benjamin: All of us, you dummy!

Mr. Breau: Mr. Speaker, I think that the hon. member could use expressions that are a bit more appropriate to Parliament than the ridiculous statement he has just made. I am simply asking who should pay for all those things. If I understand him correctly, he says that everyone should pay. I say that this is idealistic and that it is very well to suggest we should as much as possible in our society absorb all costs, taxes, transportation costs, the cost of living and the cost of basic necessities on the basis of the ability to pay.

However, Mr. Speaker, this distorts reality because, for instance, someone who settles in northern Canada does not have an income that is set on the basis of equality. His income is based on the market and if a worker in northern Canada has a recognized trade, he receives a higher income and receives certain benefits. It is quite unrealistic in my opinion to think that in a country like Canada it would be possible to equalize our transportation rates for products going to the north, for instance. I say this is an example of not very realistic interventions when I think of the contribution made this afternoon by the hon. member for Darmouth-Halifax East (Mr. Forrestall). I read with interest his statement before the Railway Committee of the Canadian Transport Commission when it was sitting in Halifax, and I read with interest the comments made in Moncton before this committee, which will be sitting in my constituency tomorrow.

It is quite ironical to see that those newspaper commentators and editorialists keep claiming that there is too much input on the part of the government in the economy and that this government should reduce its spendings. Hon. members opposite keep telling us that the government should reduce the number of instances when it takes action in economic matters. Those very same people are now telling us that railway passenger services between Halifax and Montreal should be maintained though they are obviously running at a deficit.

Actually, I have seen figures released no longer than six months ago showing that for each passenger travelling on the train from Halifax to Montreal, the Canadian taxpayer, through the federal treasury, has to pay some $40 on top of the price of the ticket. Mr. Speaker, these are the very same people who claim that railway passenger services should be developed despite the prevailing situation. In my opinion, this amounts to promoting a policy that would be utterly unrealistic and lacking any common sense. It is obviously necessary to maintain a railway service stretching between Halifax and Montreal and probably from Montreal to Vancouver. However, it should not be necessary to maintain two or three itineraries, as together they are not profitable. I think it is quite unreasonable to talk about stepping up operations in this field while it has been clearly demonstrated that this would not be profitable. I suggest it is right to say that the government should maintain a railway service but stating that this service

should be operated on a greater scale seems to me a policy that shows a lack of realism on the part of its proponents.

● (2030)

[*English*]

I should like to deal briefly with one aspect of transportation that touches my constituency in northern New Brunswick, and suggest to the minister that he consider the possibility of a local service as well as a service from northern New Brunswick to Montreal, and connections from there to western Canada, the United States and Europe. In my view northern New Brunswick at the present time could have a local air service. By this I mean a service which operates within the maritime provinces. We are not served as well as we could be between northern New Brunswick and Montreal. I believe this is due to the fact that there was never a rational plan for the development of airports; instead they were developed through ad hoc policies. I see the hon. member for Halifax (Mr. Stanfield) is incensed by the fact that some decisions were ad hoc. The fact is that in 1939 an air force base was built in Chatham. The government and the public had to recognize that as a fact, but Chatham was not the geographic centre to serve northern New Brunswick. It is one of the reasons why airports were not located where they could serve all northern New Brunswick, and another airport was built at Charlo.

I have been a member of the Standing Committee on Transport and Communications for many years, as the hon. member for Regina-Lake Centre (Mr. Benjamin) should know, and I intend to sit on it again before too long. The hon. member would do well to study the geography of the country and find out exactly where different communities are if he wants to be an expert on transportation.

Northern New Brunswick is not being as well served as it should. It is now being served by Eastern Provincial Airways with a jet service which goes Montreal-Charlo-Chatham and back to Montreal, six days a week, with only one flight per day each way—no morning or evening service. One reason the flight goes in the middle of the day is because at that time the Eastern Provincial Airways jet is not busy on more profitable routes. Because the airline has convinced the Canadian Transport Commission that this route should be eligible for subsidy, there has been no incentive to provide the kind of service that would pay for itself. There has been no encouragement to rationalize a system whereby there would be more frequent service and, at the same time as having the jet service to Montreal, have service to other points.

It seems to me that this is an example of where a subsidy given to a transportation service does not necessarily provide the most efficient and most complete service. In my view, if there were a system whereby the carrier—in this case EPA is the only one that has the possibility of providing the service—I would ask the minister to invite the Canadian Transport Commission to look at the situation and convince EPA that if they receive the subsidy they should provide the local air service to northern New Brunswick as well as to Montreal. By doing that they would improve access to Montreal.

I have suggested to the minister on earlier occasions that an airline should provide a service from Charlo-Bathurst to points south, Moncton and Fredericton, and that the passengers who travel from northern New Brunswick to Montreal be flown from Moncton or Fredericton by jet to Montreal. This would give better frequency—probably three flights a day—for the people who go to Toronto or Montreal on business and whose time is precious. They could leave northern New Brunswick in the morning and be back home in the evening. As things stand, now they have to stay overnight in Montreal or Toronto. That entails a cost and, as hon. members know, staying overnight in Montreal can entail things other than cost.

Some hon. Members: Oh, oh!

Mr. Breau: Those who noticed what I said probably know what I am talking about. In my view this would be a better service because it would provide us with a local air service as well.

Until last October another company, Atlantic Central Airlines, was providing service from Bathurst to Fredericton. It applied to the Canadian Transport Commission to expand the service to Charlo and to Moncton. It would have provided three flights a day Charlo-Bathurst-Fredericton and two flights Charlo-Bathurst-Moncton. Unfortunately the commission sat on the application with the idea that it would only be decided when they had public hearings in the maritimes in 1976. It took them until December to make a decision, although the application had been made in March by Atlantic Central Airlines. In the meantime the airline had to halt the service because it was not economical. I am told that if they had received the other routes they could have made it pay. The airline now tells us that despite the fact they received a licence to fly Charlo to the north and Moncton to the south, it would not be possible for them to start again, because if they only have the local service they cannot make it pay while EPA continues the jet flight Montreal-Charlo-Chatham.

In view of the fact that the taxpayer is investing in this service I think we should insist upon maximum efficiency and maximum service. If Eastern Provincial Airways is to continue receiving the subsidy, they should combine with Atlantic Central Airlines, if they can still get in business and if not, EPA should provide a local air service themselves.

As I explained earlier, they could make such a service economic if they would take passengers from northern New Brunswick with more frequent flights—two or three flights per day, in the morning and evening—and fly them to Montreal from Fredericton or from Moncton. For the passenger from Charlo in the north and for the passenger from Bathurst it would mean only one hour extra travelling time. However, in return for the cost he would have the benefit of more flights, and the benefit of a local air service which he does not now have. He could use it to go to Fredericton or Halifax, although why in the world anyone would want to fly to Halifax from northern New Brunswick escapes me. I suppose if one has business in Halifax one must go. One could return home the same day.

● (2040)

The hon. member for Regina-Lake Centre believes, I think, that we should grant open-ended subsidies.

Mr. Benjamin: I did not suggest that at all.

Mr. Breau: I do not think the hon. member said anything different, and I was paying attention to his remarks. I think the hon. member, members of his party and others in this House, suggested that there should be no end to subsidies and deficits and that the taxpayer should pay for uneconomic services without knowing their cost.

Mr. Benjamin: None of them is economical.

Mr. Breau: In my view, and in the view of the Minister of Transport (Mr. Lang), we should be able to identify what it costs to transport a passenger from point A to point B. If a passenger is travelling on the train from Halifax to Montreal, say, he should know that it costs the taxpayer approximately $40. I think the subsidy is close to that figure; I do not have the exact figures at my fingertips. But that subsidy is paid from taxes. Perhaps if that passenger knew it was costing him $40 to travel by train, he might travel by air, car, or bus.

I have no quarrel with people wanting to travel by train. I enjoy train travel, but would sooner know how much it actually costs me to travel on a train. In saying this I am not suggesting we should not provide at least one basic service from coast to coast for passengers. I do not think the suggestions editorial writers and commentators made when the transport committee was in the maritimes, that our rail passenger service should be extended, make much sense. In my view, if every train passenger costs the taxpayer between $35 and $40 in subsidy, we should not expand the service. We ought to maintain the basic service, but should not expand it. Actually I think we should try to cut down uneconomic services.

Mr. Benjamin: But it is the basic service that costs all the money.

Mr. Breau: Answering the hon. member, I can only say that he and others of a like mind are being sucked in by those with a vested interest in railways.

Mr. Benjamin: No.

Mr. Breau: The hon. member says no, but I make that accusation. In the maritimes we heard people representing the railway unions appearing before the transport committee and arguing that train service should not only be maintained, but expanded. Some members of the Conservative party supported that point of view. They are entitled to their view. I understand the union's viewpoint, because it wants to protect its membership. Mr. Speaker, the interest of the public, of the citizens of Canada, is not always compatible with the interests of the unions. The public should not be taken in by the arguments of the unions. I think the railways should treat their employees humanely and sensibly, and as much as possible give them the rights of seniority; but we shall need to make adjustments to services. This will result in job dislocations. I agree that employees should be treated fairly. I have always supported fair and humane social and economic adjustment programs. That is why I am such a staunch supporter of the unemployment insurance program, the DREE program, and of other programs which will lessen the impact of job dislocation, or the dislocation of the life of a community.

I would go further, and support the establishment of adjustment programs for the benefit of communities which have depended on railway service and lost that service; for such communities will lose taxes as well as services. In my view it is foolish to maintain services which can only operate at a deficit or with a subsidy.

Mr. Benjamin: Would you include the air lines?

Mr. Breau: Yes. In some instances it is foolish to maintain such a service. I will deal with the hon. member's point in a moment. It is ludicrous to operate DC-9's, costing between $6 million and $7 million, on the Montreal-Ottawa run, especially when many flights carry no more than 30 people. Air Canada should not subsidize this unprofitable route with what it earns on more profitable runs. Air Canada should discontinue such routes or services and replace them with bus service. I fly regularly, at least two or three times a month, to the maritimes. Since I know what it costs the taxpayer to fly DC-9's from Ottawa to Montreal half empty, I would rather use a bus and perhaps take half an hour or three quarters of an hour more over-all. You must wait to get a good connection at Dorval, and wait at other points; therefore, I would rather take a bus from Ottawa. The cost of that bus service would be minimal. The capital cost of the bus is in the vicinity of $250,000; in addition, you must pay the driver perhaps $300 or $400 per week, and pay a certain amount for fuel. But that cost will be much lower than the cost of flying an expensive aircraft for which you must make a huge capital outlay and pay large operating and fuel costs.

I say that our transport system should be rationalized, which is exactly what the minister is trying to do, and I admire him for it. I hope he sticks to his program. I hope he disregards the unrealistic and sometimes nonsensical suggestions of the opposition. It is normal that it should speak on behalf of people who have a vested interest in maintaining the present service, and try to embarrass the government. That is the political game. But the people are not foolish. They realize that when a service is uneconomic, they pay for it with their taxes. Therefore it is the government's duty to rationalize these services.

I return to the situation in northeastern New Brunswick. I am not against the concept of providing a subsidy for Eastern Provincial Airways; but if Eastern Provincial is to have a subsidy from the government, it should provide both services previously mentioned to northern New Brunswick, that is to say, local air service and service to Montreal. If they don't want to do it they should let the market determine if the system is viable, let the market set the rates, and be prepared not to accept a subsidy.

If a subsidy had not been paid on the route, northern New Brunswick would be better served today. Because the subsidy was paid, the system was never rationalized. I cite this as an example. One could point to many other examples to show how subsidies provided to airlines and railways and other modes of transport have not been of benefit. Because the subsidy was paid, nobody made an effort to rationalize the system and make it profitable.

Mr. Benjamin: None of them is profitable.

Mr. Breau: With respect, some are profitable.

Mr. Benjamin: Name one.

Mr. Breau: Does the hon. member mean air routes? If the hon. member would do his homework and read Air Canada's annual report, he would see that some routes are profitable.

Mr. Benjamin: Does the airline pay for its share of airport use?

Mr. Breau: Most of the airports in the maritimes, Moncton, Saint John, Halifax and others, pay for themselves.

Mr. Benjamin: With respect, they do not.

Mr. Breau: Most direct flights from those airports to Montreal pay for themselves.

An hon. Member: How about Mirabel?

Mr. Breau: If the hon. member would do some homework, read those reports and not look for political slogans, he would see that I am correct.

An hon. Member: Tell us about Mirabel.

Mr. Breau: An hon. member mentioned Mirabel. Surely he knows Mirabel is not in the maritime provinces; obviously he does not.

I think it is the duty of the Minister of Transport to make sure this country's transport system is rationalized. I encourage him to do so, support him, and urge him again to consider the matter of Montreal-Ottawa air service. Air Canada is subsidizing this route with more profitable routes. I know fares were increased and frequency of flights reduced. But I think more should be done. If Air Canada were to consult with a bus company I am sure it could provide pretty well as good a service, at much less cost. I suggest it should make a deal with a bus company, whereby the bus company would transport passengers from Montreal to Ottawa, and between other points as well.

● (2050)

A lot of the arguments we hear about transportation do not make much sense. They are merely made to embarrass the government because members know what the government is trying to do is very difficult. There are groups in society, in the case of railroads the unions, which are powerful. They have influence. I understand why they want to maintain railroad service. However, the taxpayers of Canada cannot afford to provide a railroad service because it suits the unions.

Mr. Benjamin: The unions never said that. That is a dumb statement.

Mr. Breau: At certain times the taxpayers of Canada have to invest money in the transportation system, and they should. In a country like Canada we must maintain a basic service from coast to coast. However, the taxpayer should be assured that the service is rational and the money is not being wasted.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on this motion presented by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) which reads:

> That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

The aspect of this motion that I would like to deal with is strong regional economics. I refer to the $12 million to $15 million hangar which the federal government is building at Winnipeg.

On May 23, 1974, during the election campaign the Prime Minister (Mr. Trudeau) was in Winnipeg. He made a grand announcement, stating that he would be giving the people of Winnipeg a $12 million hangar and that this would create 800 jobs in the aerospace industry in Winnipeg.

There was no reason for the Prime Minister to make that promise. There was no need for such a hangar. I will deal later with a statement made by Mr. Taylor, the president of Air Canada, and the statement by the Prime Minister. It was obvious that it was an attempt to bribe the people of Manitoba with their own money. However, they were not taken in by that attempt by the Prime Minister. The Prime Minister stated the hangar would be built immediately. However, construction did not begin until last year. It is to be completed by the end of this year.

I am quite concerned as to how this hangar will be used. It is a monstrous hangar that will accommodate 747's and L1011's. However, Air Canada does not do any servicing of 747's or L1011's in Winnipeg. The then Leader of the Opposition, the hon. member for Halifax (Mr. Stanfield), was in Winnipeg that particular day, May 23, 1974. He was dealing with the economic issues of the day, not trying to bribe people with their own money.

I quote from an article in the Winnipeg *Free Press* of November 1, 1976:

> Air Canada, with a $12 million hangar under construction here that it claims it doesn't need and isn't paying for is negotiating with Transair Ltd. to share the 80,000 square-foot facility, it has been learned.
>
> Construction is being paid for by the federal treasury. The hangar, a campaign promise of Prime Minister Trudeau and former defence minister James Richardson, will be ready in late 1977.

Transair and a representative of the national airline have had discussions on the regional air carrier setting up a separate but shared operation in the fall of next year.

It's understood a five-year lease is one of the clauses of agreement.

There is no shortage of hangars in Winnipeg. There are a number of old Air Canada hangars that can accommodate 727's, DC7's and DC8's. Also, there is a hangar which can accommodate jet aircraft up to the size of the 707. We certainly have no need for this hangar, but we are stuck with it now. We have to find out what the government is going to do with it because the taxpayers will have to pay the maintenance costs of this monstrous hangar which will no doubt become a white elephant.

The article continued:

Air Canada, which can see no forseeable complete utilization of the facility, feels that leasing space would see the hangar put to proper use until such time as it can incorporate the line maintenance hangar into its present system.

The line maintenance hangar is emptying ash trays and doing light work with aircraft.

The airline doesn't have any aircraft based at Winnipeg and now uses CAE aircraft facilities when it is necessary to put an aircraft inside.

If they can use the CAE facility, I do not know why we need this $15 million hangar.

There is another aspect. Transair is having negotiations with Pacific Western Airlines with regard to a merger. If the merger goes through, all the overhaul work will be done in British Columbia and Alberta. Therefore, Air Canada and Transair will not be requiring any leased space in this $15 million hangar.

As recently as last week Mr. Claude Taylor, the president of Air Canada, was in Winnipeg. He stated, and I quote:

—Air Canada now has enough maintenance staff in Winnipeg to immediately need half of the 80,000 square foot hangar being built for it at the airport.

The Air Canada president said his airline has not reached any agreement with Transair for use of part of the $12 million maintenance hangar and the takeover by PWA could change the complexion of any discussions that have taken place.

At the present time they are scrounging around trying to find some use for this monstrous hangar. I hope the Minister of Transport (Mr. Lang) will take part in the debate later. Due to the present unrest and uncertainty in the province of Quebec, the federal government and Air Canada should give serious consideration to moving part of the overhaul and maintenance division back to Winnipeg and at the same time make use of this monstrous hangar. We have to find some use for it. Because of the size of that hangar, overhaul work on 747's and L1011's could be carried out in Winnipeg.

There is another point I want to clear up. When I was speaking on Bill C-7 last night the Minister of State (Multiculturalism) (Mr. Guay) interjected. He rose on a point of order which, of course, was not a point of order at all. None of his interjections are. He said, and I quote:

I would like to go on record as saying that I am very pleased with the construction of the hangar at the Air Canada base in Winnipeg. The people of Winnipeg also wanted it.

The people of Winnipeg wanted no such thing. They never made any such representations to me or anyone else.

[Mr. McKenzie.]

The minister went on to say:

I am suprised to hear the hon. member for Winnipeg South Centre saying that it is a white elephant.

It will be a white elephant if we do not find some good use for it.

He was the one who was pushing to get it,—

I was not pushing to get a $15 million hangar. I do not know where he dreams these things up. He said "Now he is talking out of the other side of his mouth." Well, I was not. As usual, he has everything mixed up. In the campaigns of 1972 and 1974, when making representations to have part of the overhaul and maintenance division returned to Winnipeg, we certainly did not ask for any $15 million hangar to be built because there are enough hangar facilities already in Winnipeg.

● (2100)

I should like to go a little into the history of the removal of the overhaul operation from Winnipeg to Dorval. The final move was made in 1969 and at that time the former minister of national defence, the hon. member for Winnipeg South (Mr. Richardson), stated, "It is one of the worst decisions ever made in Canadian history." Truer words were never spoken. It will certainly prove to be one of the costliest moves ever made by an airline, and it is one which has proved disastrous for many aspects of Air Canada's operations.

Air Canada, formerly Trans-Canada Airlines, was established in 1937 by the federal Liberal government of the day. Winnipeg was chosen as the overhaul centre by a group of unbiased American aviation experts who based their choice on all pertinent factors, including the advantages of a dry climate, clear flying weather, land values, construction costs, and taxation. Presumably these experts had no axe to grind and were solely interested in locating the maintenance facilities in the most logical area of Canada, and this they did.

Before the base was located in Montreal a number of studies were carried out and a well-known firm, Wallace Clark, was hired, obviously to bring in a recommendation in favour of Montreal. I should explain why I say that. Air Canada's history shows the company's planned deception and complete disregard for truth. Its refusal to disclose the consultants' report is proof of how far they were prepared to go to achieve the ends they wanted. An added aggravation was the disclosure which finally resulted from the forced release of the Wallace Clark data according to which the Winnipeg location was the one where maintenance operations could be carried out at the lowest cost. However, Wallace Clark ruled Winnipeg out because they were told that DC-8 aircraft would not be landing there. This was not true. They have been landing there for years by the thousands. DC-8 aircraft were routed, and must continue to be routed, through Winnipeg.

I hope the minister will have some comments to make on the use to which this $15 million hangar will be put. Judging from the statements made by the Air Canada president and others, it is difficult to find out just how it will be used. Perhaps the minister will bring us up to date tonight. The minister is now

involved in making decisions for Air Canada, building hangars for the corporation and paying for them out of the public treasury, so he is considerably involved in the affairs of Air Canada, together with the Prime Minister, and I trust he will enlighten us tonight as to precisely what the situation is.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, as has been mentioned this evening, we are debating a motion which I believe is one of the understatements of the year—

That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

As I enter this discussion on transportation policy I cannot but think of the words used by the writer of a book entitled "Canada—A Story of Challenge." This historian, describing the nature of Canada and the way in which its geography tends to have a profound impact on the social and economic fabric of the nation, wrote:

Barriers such as the mountains and the shield exact a heavy price in scattering the population. They make for sectional divisions and high transportation charges. They weaken national unity and retard national development.

Four indictments are levelled in this quotation. First, these barriers make for sectional divisions: second, they weaken national unity; third, they retard national development; and fourth, they make for high transportation charges.

It is true that in western Canada unfair and discriminatory freight rates have contributed more to western alienation and a decline in national unity than even the questions of language and culture. However, I would not attribute these unfortunate effects to the physical factors maintained by the author of the book to which I referred. Rather, I attribute them to the policies, or lack of policies, enunciated and implemented by Liberal governments in past years. In the area of transport we have shuffled from one transportation mess, to use the words of a former minister, to another, and if political prophets are correct in their predictions we shall soon see the demise of yet another minister and the installation of a successor.

Even at this point there appears to be uncertainty regarding the implementation of a comprehensive national transportation policy. The rail system is important not only for the prairie region but for all Canada since the quality of the facilities put in place primarily for the prairie provinces have a very great effect upon the economy of British Columbia and, indeed, upon that of the whole nation. The failure to maintain an adequate standard of trackage across Canada, the failure to maintain adequate rolling stock, the failure of the companies to update their facilities, the decision to make huge investments in enterprises which have little or nothing to do with transport are a matter of great concern to those whose livelihood depends to a great extent on the movement of products to and from the areas in which they live.

My comments this evening will relate chiefly to my own province of British Columbia, and in particular to the agricultural sector. Although arable land in the province is extremely limited, my riding is one of the most important agricultural areas and I wish to relate my remarks to the motion as it affects conditions there. As a background to what I have to say I should like to indicate the extent and value of the livestock and poultry sectors of the agricultural industry in British Columbia. Farm cash receipts are as follows: cattle, $66,696,000; calves, $6,055,000; hogs, $11,599,000; sheep and lambs, $789,000; dairy products, $103,157,000; poultry, $36,969,000; eggs, $34,496,000; other livestock, $9,107,000.

● (2110)

This indicates the extent of the livestock industry in my province and emphasizes the importance of the feed grain situation in the province of British Columbia. I do not have the figures for 1976 here, but I have figures up to 1975. An analysis of the last three crop years shows that the feeding areas of the province, other than the Peace River district, consume about 480,000 tons of feed grains per year, of which 9 per cent is locally grown, 10 per cent is terminal elevator screenings, and 81 per cent is prairie grains and millfeeds of American corn.

Because of various situations which have developed, one being the matter of transportation, the increase of the importation of American corn is very, very clearly outlined. For instance in 1972 there were 14,400 tons imported, and in 1975 there were 73,600 tons imported. The increasing use of American corn is the result of a number of factors—the cost factor, transportation costs, and interruptions in transportation through strikes and other situations which are forcing people in British Columbia to depend more and more upon imports from the United States.

The industry was incensed when the government announced a reduction of $4 per ton on feed freight assistance to British Columbia. We appreciate the fact that this was restored when it was pointed out by the industry, the British Columbia Federation of Agriculture, the provincial government, members of parliament and others, that the basis upon which this decision was made was actually a false one. This was particularly important to the Fraser Valley, for 80 per cent of the subsidized grain was used mainly in the lower mainland of the province and in the poultry and dairy industries. I am indicating this to show the importance of adequate transportation as far as the agricultural economy of British Columbia is concerned.

I am stressing the input problems which are being faced by agricultural producers, rather than the marketing of their product. However, there are a great many problems which are militating against the development and maintenance of a viable agricultural economy in the province of British Columbia. I mentioned first the lower priority which is assigned to the feed grain industry. We all recognize the importance of our export industry, but we have to consider that producers in Canada are battling in order to develop an industry and to maintain an industry without which the nation would be very much the poorer. So, we think of the lower priority assigned the feed grain industry; the lower priority which is recognized by transportation companies in providing

transportation facilities; the unfair aspects of the block system, which has been set up mainly to assist in the export trade and which militates against the maintenance of adequate supplies of feed grains for the domestic producers in the province of British Columbia; and the inadequate provision of modern rail cars.

Hopper cars are used for the transport of grains for export, and we believe they should be used in the domestic feed grain industry as well because they are needed there. Unfortunately the industry is left using the outmoded equipment which has been replaced by the modern hopper car for the export trade.

We think also of the inequitable application of demurrage charges, which are applied to domestic grain but not to the movement of export grain on the west coast. Finally there are the unequal transportation rates on the movement of feed grains as compared with export grains. These have been stated very clearly on many occasions.

I should like to point out the comparative rail freight costs for shipping grain from Regina, Saskatchewan, to Ottawa, 1,652 miles, is $16.40 per ton or 99 cents per ton mile; Regina, Saskatchewan, to Sherbrooke, Quebec, 1,865 miles, is $18.60 or a cents per ton mile of $1; Regina, Saskatchewan, to Truro, Nova Scotia, 2,408 miles, is $20.20, or 84 cents per ton mile; Vulcan, Alberta, to Vancouver, British Columbia, 711 miles, is $18.40, or a cents per ton mile of $2.59 for domestic grain; and Vulcan, Alberta, to Vancouver, British Columbia, 711 miles, is $4.20, or 59 cents per ton mile for export grain.

The export movements have the benefit of the Crowsnest rates to Thunder Bay and water competitive rates beyond. On westbound shipments the Crow rates apply only to export grain. Thus we find the industry in British Columbia is strenuously opposing the paying of more freight on domestic grains to Vancouver. When we put these figures together, we see the industry in British Columbia is faced with a great many problems and a great many factors which militate against the maintenance of a viable industry in that province.

One example of freight inequity may be cited in the transportation of the finished product, for example, chicken—east versus west. The rates supplied by the British Columbia Broiler Marketing Board, which I believe are for 1974 and are comparable to the present time, are 7.85 cents per pound of chicken from Vancouver to Montreal versus 2.99 cents per pound of chicken from Montreal to Vancouver. When this is converted into terms of grains required to produce this pound of chicken, we come up with a relative rate of $8.30 per ton of grain in the form of chicken coming west versus $21.82 going east. That indicates how much we are out of line in endeavouring to move our products from the west to the east, as against the movement of similar products from the east to the west. This has caused a great deal of dissension, a great deal of antagonism, and a great deal of alienation in western Canada—the unfair freight rates which exist on goods sent east versus the rates on goods transported west.

Mr. Benjamin: It is uphill both ways.

[Mr. Patterson.]

Mr. Patterson: Yes, it is uphill both ways, as far as western Canada is concerned.

I should like to make reference to a communication I received from the B.C. Livestock Producers Co-operative Association which has to do with the livestock industry. This letter reads:

> We were most concerned last fall when proposed freight rate changes were proposed for an increase of 11 per cent for B.C. . . .

The letter refers to various increases, but a flat rate was agreed upon. It continues:

> Of equal importance and concern to us, is the availability of rolling stock for livestock shipping during the fall. Since we are the western terminus in so far as eastern shipments are concerned during the heavy shipments of western feeders to Ontario, it is sometimes difficult to obtain sufficient numbers of cars.

● (2120)

Here again there is a shortage of transportation facilities and rolling stock for livestock shipped to marked.

The letter continues:

> I understand that there has not been a livestock car built since 1947 for an industry that has almst doubled in numbers since that time.
>
> It is indeed puzzling to note the thousands of cars built with federal funds for the grain industry and the potato industry in the maritimes, but not for Canada's third largest industry.

All of this has to do with the agricultural economy in British Columbia. I could go on to refer to freight rates as they affect other industries in British Columbia, such as the lumber industry. Here again this industry faces insurmountable obstacles in marketing its products, such as inadequacy of rolling stock. Many times it is unable to obtain the required transportation facilities to keep one of the greatest industries in the province of British Columbia going.

I had a situation develop locally not too long ago concerning discrimination resulting from a CPR-induced boxcar shortage. It occurred in an area of my riding, Mission, where rolling stock was unavailable. A telegram was sent to the president of the Canadian Transport Commission which read as follows:

> Sir, we in the Fraser Valley of British Columbia are experiencing an extremely dire situation in regards to boxcar supply. We feel CPR is discriminating against us because of what they refer to as an unfavourable economic situation. We would ask you for your immediate intervention on our behalf. We have forwarded a complete brief by registered mail.

The company concerned also contacted their member of parliament and, I believe, another member of parliament from British Columbia. Representations were made and the matter was resolved, but here again we have a case where a small company is endeavouring to carry on its operations and expand an industry within the community, yet is faced with discrimination and is unable to move its products.

I am very happy to have had the opportunity tonight of speaking to this motion because, as I have already pointed out, I believe the problem is not a question of geography but rather one of inadequate transportation policies which have worked to the detriment of the agricultural industry of British Columbia as well as of other industries. As I have said, there are inadequate facilities provided to move products to market and

to bring into industries the input required to maintain their viability.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am delighted to enter into the debate this evening on the motion before the House, particularly as it relates to the Atlantic provinces. At the outset I might say that all too often we have considered an opposition motion which is so negative in nature that insufficient interest is shown by the opposition party to the extent that the mover of the motion, who in this case happens to represent a constituency in the Atlantic provinces, does not even remain in the House. Evidently this motion is deemed by the hon. member to be insufficiently serious enough for him to be in the House this evening. As a matter of fact, as I tally up the number of members opposite, there are something like six members—

Mr. Knowles (Winnipeg North Centre): Watch out; there may not be a quorum!

Mr. Harquail: —of the loyal opposition in attendance this evening. I feel this is a sad observation to make on this parliament. If I may quote the motion before the House, it is:

> That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

How can maritime members, be they supporters of the government or the opposition, turn their backs on the $125 million worth of programs recently announced by the Minister of Transport (Mr. Lang), which are a positive step to assist in alleviating some of the dire transportation problems facing that region today? In terms of rationalization of transportation and alleviating transportation problems, it is beyond my comprehension how so little interest is displayed.

All the rhetoric I have listened to in recent days raises a grave question in my mind as to whether we really have an official opposition daily in attendance in this House.

Mr. Patterson: We do not often have the government in attendance either.

Mr. Harquail: In view of the way that the House leader of the official opposition spoke today, I am seriously wondering just where the opposition is in the House. Of course with the type of leadership which they have to follow, whether it be the hon. member for Saint-Hyacinthe (Mr. Wagner), or the hon. member for Rocky Mountain (Mr. Clark), or wherever it is he is from, there is no doubt hon. members opposite have a problem, but I am really distressed to see this situation develop at this point in Canadian history.

I should like to return to a more positive note—

Mr. Baker (Grenville-Carleton): You could not if you tried.

Mr. Harquail: —and reiterate what the minister has done on behalf of the Atlantic area. He has sat down in a very sincere and serious way with the council of maritime premiers, including the representative of the Newfoundland government, Mr. Morgan, and after many hours of debate and deliberation has arrived at a decision to provide in the order of $300 million worth of subsidies for transportation paid in the maritimes in 1976, whether it be rail transportation, air transportation, or what have you.

In addition, he has discussed freight rates and assistance to provincial ferries in the Atlantic provinces. I submit that he has made a positive contribution on behalf of a government which looks into the heart of a problem and comes up with a solution. In this way the government has assisted the Atlantic provinces to overcome their most serious transportation problems.

• (2130)

When I consider that the hon. member for Dartmouth-Halifax East (Mr. Forrestall), who is a maritimer and is supposed to know and understand the problems of Atlantic Canada and who is called the official critic on transportation for the official opposition, would have the mitigated gall—

Mr. Benjamin: Unmitigated gall.

Mr. Harquail: —my friend, who is a member representing one of the western provinces, who has just interjected, as a matter of fact travelled with the transport committee to the Atlantic provinces this past week. I might inform members of the House that in spite of all that might be said about citizens of the Atlantic regions in this country, whether they be members of parliament or elected representatives at the municipal or provincial level, and despite all criticisms that have been expressed by people in the maritimes about not being heard, about being a voice crying in the wilderness, about not being able to bring their points of view forward—and this might be ironical or amusing—in the past week meetings have been held in St. Andrews, New Brunswick, and the CTC has conducted hearings with respect to the rail-passenger service in the maritime provinces. On top of that the government has carried out in good faith its undertaking made some time last year to visit the western provinces, particularly the port and harbour facilities in Vancouver, and we also made good our commitment to visit the east coast.

Indeed it is history now that the Standing Committee on Transport and Communications has just completed an in depth visit to St. John's, Newfoundland; Saint John, New Brunswick, and Halifax when the citizens of that area were given every opportunity to appear and make their voices, opinions and interventions heard before the standing committee on the question of transportation policies, transportation facilities and subsidies, as well as on any other question they might deem appropriate to bring before the committee. Indeed it was a most interesting and enlightening exercise in which I had the honor of participating as a member of the committee.

Mr. Benjamin: Tell them how they kicked Ottawa around.

Mr. Harquail: The fact of the matter is that, discouraging as it was to hear some of the witnesses who appeared before us

say that they might have appreciated having had more time to present and prepare more briefs, if these people who are concerned with dry docks, shipbuilding, and transportation questions in general, as well as facilities for containerization, had been seriously involved in this business, they would have known that we had made a commitment last year to visit the east coast. Had they been more aware, they would have known that it was stated in the House, recorded in *Hansard*, and in the proceedings of the committee on Transport and Communications, that we fully intended to visit the east coast, to visit Newfoundland, New Brunswick, and Nova Scotia to discuss these matters and to hear the views of these people. Similarly, the Canadian Transport Commission will be visiting Halifax and Fredericton on Friday, June 10. They will be in my riding of Restigouche and will come to the city of Campbellton to give an opportunity to the people there to express their views regarding the need for a future rail passenger service in eastern Canada.

I ask you, what more can the government do? It is conducting meetings in the very areas where we are being criticized. It is meeting with the various associations and organizations concerned with transportation problems in the area. The Canadian Transport Commission, under the direction of the Hon. Edgar Benson, is conducting hearings this year with respect to the rail passenger service. Last year the CTC spent many months in the Atlantic provinces deliberating on the whole question of the air passenger service in that region. On top of that the government has expended $300 million in subsidies for transportation in the Atlantic area. In addition—and this is not promise but a fact—recently the Minister of Transport announced that $125 million would be spent right away to assist the different modes of transport in the east, such as rail, air, ferry, and bus transportation.

In spite of all these positive actions by the government we see before us today this most negative motion brought in by the official opposition stating that they condemn the minister's transportation policy in the Atlantic provinces. How can a member of parliament from the Atlantic area rise in the House and make such a statement, let alone carry the responsibility of being the official transportation critic of the official opposition? It is quite beyond me to understand that. It comes right down to what I have said recently—although one who supports our democratic system would be reluctant to say this—that we have no opposition at all. They show no creativity, no innovation, no new ideas.

This is not a tired opposition; it is no opposition. They do not refer to the positive actions of the government such as the $285 million or $300 million paid out in subsidies. They do not refer to the inquiries and studies being carried out by the CTC with respect to the rail passenger service. They will not comment about the inquiry that was carried out last year with respect to the air passenger service. All they do is make measly statements here about the lack of effectiveness of the coast-guard, for example, when anyone who had the opportunity to take part in the visit of the transport committee to the Atlantic area recently would know that a substantial amount of the taxpayers' money is being invested by the government in the Atlantic area to do the best job that can be done there.

Let me say a few words about the dedication of the MOT officials. You will not find another civil servant or federal government employee who is more dedicated than the employees of the MOT, whether we talk about the people who work in the Department of Transport or about employees of Crown corporations. To a man these are good Canadians, God fearing, hard working.

Mr. Benjamin: Hear, hear!

Mr. Harquail: They contribute in a most positive way to the work of the department. Yet we have to sit here and listen to the negative approach of the opposition. They do not seem capable of at least acknowledging some of the positive moves of the government. Yet the hon. member for Dartmouth-Halifax East in introducing the motion—

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker. I listened for a few moments to what might pass for a speech. I am referring to the remarks made by the hon. member for Restigouche (Mr. Harquail). I was in the House when the hon. member for Dartmouth-Halifax East (Mr. Forrestall), about whom he is speaking, made his speech with respect to the motion that was put forward. I listened very carefully to this speech. As a matter of fact I seconded the motion. I thought I did not hear the hon. member correctly the first time, but when he repeated that the speech of the hon. member for Dartmouth-Halifax East was negative I felt it necessary to rise on a point of order. It seems obvious to me that the hon. member for Restigouche was somewhere—I do not know where—when the hon. member for Dartmouth-Halifax East was making his speech, but he was not in the Chamber.

Mr. Paproski: Right, he was not in the Chamber.

Mr. Baker (Grenville-Carleton): The speech was hardly as it was reported by the hon. member for Restigouche.

The Acting Speaker (Mr. Ethier): I have listened to the hon. member but I fail to find a point of order in what he said.

Mr. Harquail: I sympathize with you tonight, Mr. Speaker, when I hear you observe that you cannot see a point of order in what the hon. member said. It is not the first time that we have witnessed a dismal performance from the opposition House leader. He said that he seconded the opposition motion. Obviously he is in dire straits so far as communication with the members of his own caucus is concerned. How can he, as House leader of the official opposition, second the motion of the hon. member for Dartmouth-Halifax East, and at the same time deny in the most negative terms our right to enjoy the benefits of the $125 million to alleviate some of our transportation problems in the east? Surely the hon. member can do better than to come in at this late hour and make interjections and raise points of order. He should stop and reconsider his

own position in the light of the motion which is before us tonight.

● (2140)

I do not think it makes good sense or good parliamentary procedure for the opposition to interrupt proceedings in this manner. I suggest to hon. members opposite that perhaps they should have more meetings of their own committees to decide what is really right for this country in terms of the approach they should take in this House, and in terms of assisting in some concrete and positive way to making a contribution to this parliament, rather than trying to ridicule the government the way they do. It is really sad when we have to tolerate this type of interference.

When we were in the maritime provinces I said throughout the hearings that we should support the maritime premiers. Indeed the premier of New Brunswick has made attempts to find a solution to the whole problem of air passenger service in the four Atlantic provinces. A solution was put forward to the air branch of the Canadian Transport Commission with respect to utilizing the Canadian built de Havilland Dash-7, a 50 passenger aircraft which could be used to provide daily service between the four Atlantic provinces.

That is not to mention the possibility of utilizing the twin Otter in a way which would provide rapid transportation between the various municipalities in the province of New Brunswick. This is something I have had occasion to speak about previously. This is something I advocate and support earnestly.

Mr. Benjamin: I thought you wanted to conserve energy.

Mr. Harquail: We have to do that in every way possible. An hon. member opposite who is a member of the NDP interjects. Yes, I am for conservation of energy, and it certainly does not make sense to me, in view of the winters we are faced with, to talk about replacing rail service or air service with bus service. I am completely convinced that in every area of each of the four Atlantic provinces air service is the solution we should be looking to because bus service really does not make much sense in terms of a logical approach to the very severe winters we have. I think there should be a very close study made of the cost of the utilization of energy with respect to operating buses as opposed to an efficient air passenger service which could provide a more effective pattern of service to the travelling public. I appreciate that an in depth study should be made with respect to the scheduling of flights so that we can have load factors which will offset the costs we are faced with in these days of high fuel costs.

I appreciate having this opportunity to set the record straight with regard to some of the drib-drab we have had to listen to from some of the previous speakers opposite.

Mr. Benjamin: Is that the same as cow plats?

Mr. Harquail: Their remarks on what the government is doing have been negative. I do not care what kind of politics or dollars we are talking about; any time a government announces $125 million to alleviate a transportation problem in the Atlantic provinces, it is a darned good step, and I certainly would not have any truck with an hon. member from the Atlantic provinces who would speak in any other way, when I consider the very dedicated and sincere efforts being made by the Minister of Transport on our behalf.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is a good thing the hon. member who just spoke lives in Restigouche because he would be speaking with a forked tongue if he came from Carleton-Charlotte and if he were to discuss transportation problems as he discussed them tonight. I submit that no hon. member from the Atlantic provinces and few hon. members from eastern Quebec can take the position taken by the hon. member for Restigouche (Mr. Harquail) with a clear conscience. It must have taken a strong application of the political whip to make a man who comes from that area talk that way.

Mr. Harquail: Mr. Speaker, I rise on a point of order. I submit that it would be more to the advantage of the hon. member opposite if he would stick closely to the motion which is before us tonight, a motion brought in by the official opposition. The hon. member for Carleton-Charlotte (Mr. McCain) should not make the kinds of comments he is making.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Carleton-Charlotte (Mr. McCain).

Mr. McCain: Mr. Speaker, you have given those remarks the attention to which they were entitled. You have dismissed them as they should have been dismissed, and I appreciate that.

Mr. Benjamin: As you were saying?

Mr. McCain: Has the hon. member for Restigouche received a personal political assurance that any passenger service which might be rendered in the province of New Brunswick will go up the north shore? Is that the reason he talks the way he does?

Mr. Harquail: We've got it anyway.

Mr. McCain: If the hon. member has been given that assurance, the Minister of Transport (Mr. Lang) has a board of inquiry in the Atlantic area—or perhaps it left last night—which has certainly been operating under a misconception. It was presumed in the Atlantic area that that was a meaningful trip, but if the hon. member has the assurance that the passenger service will in fact, by a predetermined policy of the government, continue to go up through the north shore of the province of New Brunswick, then he could, of course, speak as he did in his own constituency. However, he would not be

helping some of his confreres who will be denuded of any passenger service by a predetermined judgment. It may be an exercise in futility for the Canadian Transport Commission to conduct any hearings whatsoever.

Mr. Harquail: Mr. Speaker, I rise again on a point of order. I would like to set the record straight.

Some hon. Members: Order.

The Acting Speaker (Mr. Ethier): Order, please. This is a matter for debate, certainly not a point of order.

Mr. McCain: The hon. member has asked for some concrete proposals, and I will give him one. We should insist, as the hon. member for Restigouche has done, on behalf of the Atlantic area that the rights extended to eastern Canada under the BNA Act be exercised by a policy of the government and its minister. That has not been done. That is a constructive suggestion, and because that suggestion has not been accepted by the party which the hon. member opposite embraces, it becomes an item of criticism. Those rights should have been extended to the Atlantic area and eastern Quebec. Those areas have been conscientiously and intentionally denied those rights as a result of government policy, and the hon. member opposite is part of that government party.

Mr. Benjamin: It wasn't much different when the Tories were in.

Mr. McCain: With all due respect to the hon. member from that socialist party to my left, when a Conservative government was in power rail transportation rates made it possible to move lumber to east central Canada by rail. It left the agricultural industry in eastern Canada in a competitive position, to which we are entitled under the BNA Act, when we shipped to central Canada. That is what the policy of the Conservative party contained, and that is why the remark of the hon. member for Regina-Lake Centre (Mr. Benjamin) is really out of order.

● (2150)

Now, Mr. Speaker, let us examine a few individual instances and the policy of the government as it relates to them. I admit that the Atlantic area has under used the passenger service offered by the railroads, but we should look at the history of that service. I went to a little school in Wolfville called Acadia University, one of the best universities in Canada, if not the best.

Mr. MacFarlane: The second best in North America.

Mr. McCain: Mr. Speaker, that is obviously a prejudiced remark and history will reveal the cause of the prejudice. When I took a passenger train home I found myself stopped in the middle of the night, about 2 a.m., having to wait six hours in an isolated station with no services available whatsoever for the passenger service operated by the CP to connect with the CN passenger service. We went from there to Moncton and waited anything up to six hours before we moved up to the village of Juniper. It was an 18-hour trip. Had the government of that time been concerned for the people who used the passenger service there would have been a reasonable connection provided.

To proceed to more modern times, the government has—and I think intentionally—disrupted the mail service by taking it from the trains which gave overnight delivery from Ottawa to my community and provided revenue to passenger and express services as well. When the mail was removed from the passenger service it heralded the demise of that service. This is part of the structure. Maybe the hon. member for Restigouche is not aware of these things. At that time many applications were received for the cessation of the passenger service in eastern Canada. Of course it has been predetermined that it will go up the north shore and that the rest of the province of New Brunswick will go without.

Let us look now at the port facility in the city of Saint John. The Standing Committee on Transport and Communications held hearings throughout the Atlantic area. Of course the hon. member for Restigouche paid a little attention to that but did not follow it up. We were told that facilities for the movement of potatoes, which is important to the province, had been inadequate for years. The railroads have been allowed to abandon the principle of proper provision of equipment for the movement of perishables on the rails, not only in eastern Canada but in Kelowna, in Ontario, and in any part of Canada in which there are perishables to be shipped. I submit that that makes the government subject to criticism. It can buy 6,000 grain cars but it cannot manage the agricultural structure in regard to perishables. It has a particularly blind eye when it comes to Saint John.

Let us see what happened in Halifax. I do not remember seeing the hon. member for Restigouche there. We were told by the Prince Edward Island Potato Marketing Board that they could throw a cat through the cracks in the door. We were told that the facility was so poor that when using the available shed, one exporter had hired all the heating equipment that was for rent in the city of Halifax in order to keep his product warm in that port facility. When the shipment got to its destination he was not sure whether the potatoes had frozen in transit to the shed or had frozen in the shed in spite of all the heating equipment he had provided to keep them warm.

I am told that I should not criticize; that I should be constructive. But let us remember the BNA responsibility of government to eastern Quebec and the Atlantic provinces—then we will not be critical because we will not have to be. The reasonable obligation of government in the field of transportation will have been fulfilled if these responsibilities are faced.

Mr. Harquail: Mr. Speaker, on a point of order, I do not remember seeing the hon. member for Carleton-Charlotte (Mr. McCain) in St. John's, Newfoundland, and at some of the other meetings. If he is going to get into the semantics of who was at what meeting I think the record should show that he missed the bus that was provided for him in Halifax. I happen to have been there and I know about that.

Mr. McCain: Mr. Speaker, I hope you will not deduct that from my time.

Mr. Benjamin: Mr. Speaker, would you like me to tell all? I was there all the time.

Mr. McCain: Mr. Speaker, the hon. member for Restigouche is absolutely correct. I was not with them in St. John's, Newfoundland, because I had been invited to attend the Canadian Forum on Transportation Research which was meeting in St. Andrews. I submit that by attending it I got an additional perspective on the responsibility of government which the hon. member for Restigouche missed. As a member of the transportation committee I paid my own way that day while he was travelling at government expense.

I should like now to talk about another aspect of government negligence in the field of transportation. One of the things we encountered in the various presentations was an opposition to the increase in freight rates. The Prince Edward Island Potato Marketing Board and the New Brunswick Potato Shippers' Association pointed out to the committee that in just a little over 12 months the freight rate increases on potato products had in their accumulated effect increased by over 50 per cent. I thought we had an Anti-Inflation Board, Mr. Speaker, and the potato shippers thought we had an Anti-Inflation Board. Is the transportation system above the law? Is it only the little people who are to be regulated by the Anti-Inflation Board, while the big guys are not? That 50 per cent increase again deflects the intention of the British North America Act inasumch as it may very well remove that product from competition in the Canadian market. As I have said before, and I hate to be repetitive, if one examines the cost in the State of Maine of moving the same product by rail—I see it is ten o'clock, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. It is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

It being ten o'clock p.m. this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 10 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, June 8, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

FAILURE TO REINSTATE RIVER GUARDIANS IN NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. The Department of Fisheries and the Environment has not rehired approximately 50 per cent of the 163 river guardians employed on the salmon rivers in Newfoundland, resulting in the loss of 80 jobs. The increase in poaching on these rivers with fewer guardians will have a very serious effect on the salmon stocks in Newfoundland's rivers and makes a complete mockery of Canada's conservation measures. Therefore, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House direct the Minister of Fisheries and the Environment to authorize the immediate reinstatement of last year's allotment for river guardians in Newfoundland, and that the matter be referred to the Standing Committee on Fisheries and Forestry.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

FREE FLIGHTS FOR MINISTERS ON AIRCRAFT OWNED BY PRIVATE COMPANIES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), to move:

That this House, noting that the Minister of National Health and Welfare enjoyed a free flight in a Seagram's aircraft, that the Minister of Consumer and Corporate Affairs did the same in an aircraft owned by the Canadian Imperial Bank of Commerce, and that the Minister of Transport has now flown free in a Nordair Aircraft so he could make a speech calling for the user to pay, is concerned over the conflict of interest involved in such flights, but is also of the view that all cabinet ministers should be treated equally, and this House therefore expresses the hope that some other private airline will offer a free trip by air to all members of the cabinet, anywhere in the world they want to go, one way.

Some hon. Members: Hear, hear!

Mr. Speaker: The presentation of such a motion for debate can be done only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Goodale said yes.

* * *

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

MOTION TO CONGRATULATE MEMBERS OF SUBCOMMITTEE ON PENITENTIARY REFORMS—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to the terms of Standing Order 43, I wish to put a motion dealing with an urgent matter on which I am convinced the House will be unanimous.

As the sub-committee on our penitentiary system has done a terrific job in the last few months with a view to making concrete recommendations to improve our penal system, and as the report brought down by that sub-committee is a document of superior quality, which all hon. member will recognize, though unanimous consent may not have been reached on some of its recommendations, and moreover as this report is a unique example of the cooperation of hon. members of all political parties, devoid of partisan considerations, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House warmly congratulate hon. members of the sub-committee on the penitentiary system for the magnificent task they performed by cooperating without partisan bias, and also for the outstanding report they tabled in the House yesterday.

Mr. Speaker: Pursuant to Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the motion; is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

● (1410)

[*English*]

TRANSPORT

REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT ON USER-PAY CONCEPT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity concerning press reports today of an address by the Minister of Transport (Mr. Lang) in Hamilton on the subject of the government's user pay policy for transportation and particularly the statement attributed to the minister that, and I quote:

I would like to point out to you that it's the taxpayer who's the user. I am the employee doing the user's business and therefore obviously the user pays.

I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Transport make a statement to the House outlining on behalf of himself and the government all the reasons justifying his illogical and strange contention that the taxpayer is the user and should therefore pay for flights he makes, including those of a personal and political nature, and finally that the government give assurances to this House that at last steps will be taken to prevent forthwith such arrogant further gross misuse of public funds by the Minister of Transport.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

OPPOSITION TO FLOODING OF SKAGIT RIVER VALLEY IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same standing order, and I hope the same consideration will be given to my motion in terms of unanimity as that which was given to the hon. member's motion on the penitentiary matter. This motion has been canvassed by the four parties in the House.

In view of the decision of the Governor of the State of Washington reversing that state's position on the flooding of the Skagit Valley by the Seattle City Light Company, and in view of the position taken unanimously by this House and by the government of Canada on November 2, 1973 in opposition to the flooding of the Skagit Valley, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House reaffirms its unanimous decision taken on November 2, 1973 opposing any flooding of the Skagit Valley in the province of British Columbia by United States power authorities and that a copy of this motion be forwarded to the Governor of the State of Washington and the President of the United States.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Speaker: The provisions of Standing Order 43 require that for the presentation for debate of such a motion the unanimous consent of the House must be given. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

PENITENTIARIES

GOVERNMENT POSITION ON REPORT OF SUBCOMMITTEE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in keeping with the atmosphere here which has seen two Standing Order 43 motions passed today, I would like first to associate myself quite explicitly with the congratulations extended to the members of the subcommittee on the penitentiary system, who did an excellent job.

Some hon. Members: Hear, hear!

Mr. Clark: In addition, in posing my question to the Solicitor General, I should like to congratulate the government for taking up our initiative to appoint a committee of inquiry.

Some hon. Members: Hear, hear!

Mr. Clark: In that same spirit might I ask the minister if he accepts the general recommendations made in the report, and if he shares the explicit view in the first recommendation of the report that a crisis exists in the Canadian penitentiary system that can be met only by the implementation of large scale reforms?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I should like to thank the Leader of the Opposition for his question. I, of course, associate myself with the good words he addressed to all members of the parliamentary committee which of course was set up on my initiative.

Some hon. Members: Hear, hear!

An hon. Member: Nice try.

Mr. Fox: On this side of the House the word "crisis" usually invokes concepts of both danger and opportunity. I think the report of the parliamentary committee indicates a great opportunity to continue to make changes that are necessary in the penitentiary system in Canada.

Mr. Clark: Mr. Speaker, I regret that the Solicitor General did not go further and embrace the explicit recommendation of the report he has endorsed which called for immediate implementation of large scale reforms which is not the same as simply proposing to carry out changes that are already in place. Is it the intention of the government to respond to this report in the spirit that there is a need for immediate implementation of large scale reforms in the Canadian penitentiary service and system?

Mr. Fox: Mr. Speaker, unlike some members of the House I only received a copy of the report yesterday. I am in the process of examining the recommendations. On first reading of the recommendations, I see that the parliamentary committee endorses some of the very far-reaching reforms that have been initiated over the past year. I will just cite one instance: The committee endorses fully the extension of the living unit concept and the team concept throughout the penitentiary system. They have also indicated that they have complete confidence in the director we named to the Millhaven institution. That institution is also going onto the team concept. As far as the other recommendations are concerned, I take them most seriously indeed. It is my intention to review them and analyze them as completely as possible and make a response to the House on them.

ALLEGED ESTABLISHMENT OF GROUP TO STUDY RECOMMENDATIONS OF SUBCOMMITTEE—REQUEST FOR NAMES OF MEMBERS OF GROUP

Mr. Joe Clark (Leader of the Opposition): A final supplementary question, Mr. Speaker. The minister's parliamentary secretary is reported this morning as having said that a working group has already been established within the department to initiate recommendations that do not require legislation. Since one of the findings of the report was that some of the fault lies with existing management, and since there may well be some conflict if members of existing management were part of that working group, would the Solicitor General tell the House who the members of that working group are, what are they doing and when does he expect to receive a report for action from it?

Hon. Francis Fox (Solicitor General): Mr. Speaker, we have been expecting this report in the department for some time and have been looking forward to it with a great deal of anticipation. In preparation for receiving the report we set in motion procedures to forward copies of it to all elements of the department, including those directors who met with the parliamentary committee and in whom the committee expressed confidence; it will also be directed to all senior management of the Canadian penitentiary service; and it will be discussed by the senior policy advisory committee of my department which includes the RCMP, the Parole Board and the penitentiary service. These bodies will make recommendations to me which I will evaluate. I expect the process to take approximately three weeks.

Mr. Clark: Mr. Speaker, I want to thank the Solicitor General for his extemporaneous reply. Is there or is there not a working group? Should we believe the Parliamentary Secretary to the Solicitor General who says there is a working group, which is something other than a list for circulation of copies of the report, or do we accept the minister's response as being the totality of the situation? If there is a working group who is on it?

Mr. Fox: Mr. Speaker, I have just indicated that the report affects just about every phase of the operation of the criminal justice system both within my department and I suppose to a lesser extent within the Department of Justice. Recommendations are made for changes in the Criminal Code. As I indicated, the most senior people in my department, including the minister's parliamentary secretary, are involved in analysing the report and making recommendations to me. As I said previously, I want to move as quickly as possible on those recommendations which can be implemented without legislative change, and want to look closely at others. Clearly, we have already initiated changes in the penitentiary system in the past year.

● (1420)

My predecessor, as well, brought about a number of changes. Among the initiatives of my predecessor are the legislative changes presently before the House, as incorporated in Bill C-51. There are in particular changes concerning the procedure of due process for inmates appearing before the parole board. I conclude by saying we are taking most seriously the report brought down at the initiative of the government and are most interested, as are members of the Public Service Alliance of Canada I am sure, in seeing greater reforms introduced into the penitentiary system of Canada.

RECOMMENDATION PRISON STAFF BECOME A PROFESSIONAL CORPS—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): A supplementary question, Mr. Speaker. One of the more important recommendations is the removal of the penitentiary staff from the Public Service Commission, and their integration into a professional corps of prison staff similar in nature to the RCMP. Will the minister tell the House when he will meet representatives of the PSAC to discuss the matter and, in addition, if he regards this step as central to the effective reform of our penitentiary system, as members of the subcommittee did?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the recommendation was made to me yesterday and has far-reaching consequences, as the hon. member knows. I should like to examine the recommendation in detail and consider its implications before making a statement either way on that proposal.

PROPOSAL COMMITTEE BE GIVEN MANDATE TO REVIEW IMPLEMENTATION OF RECOMMENDATIONS

Mr. John Reynolds (Burnaby-Richmond-Delta): A final supplementary question, Mr. Speaker. In its last recommendation, No. 65, the committee recommended that the Standing Committee on Justice and Legal Affairs should have a permanent reference during the rest of the 30th parliament and for the 31st parliament, to enable it to review the implementation of this report in the context of the criminal justice system. Since the committee worked on a non-partisan basis to make that report, will the minister assure the House he will make this recommendation to the government, and implement it as soon as possible?

Hon. Francis Fox (Solicitor General): No, Mr. Speaker, I am not willing to give that undertaking today. I am willing to look at the matter in greater detail. My initial reaction is this: the committee reported to me, and it then becomes my responsibility and that of the penitentiary system to implement such reforms as are appropriate in the circumstances. The parliamentary committee, or members of the justice committee, should have the opportunity to examine the implementation during the course of examination of estimates and supplementary estimates, parliament usually follows such a practice, instead of the type of innovative practice recommended.

Mr. Hnatyshyn: What are you guys afraid of?

DATE WHEN LEGISLATION BASED ON COMMITTEE RECOMMENDATIONS WILL BE INTRODUCED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I direct a supplementary question to the minister and follow up his last answer concerning final recommendation No. 65 of the report, which asks for a continuing mandate during the 30th parliament and for the 31st parliament? Since the minister is apparently unwilling to commit himself at this point to the continuing mandate; since the report itself was an all-party, unanimous report; and since all members of the committee, of all parties, want to see the government act on the report, will the minister not say today when the government will introduce legislation in this House based on the recommendations of the report? The minister said he needs three weeks to evaluate the report. Surely he can say now if during the present session of parliament we can expect positive action on those recommendations?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the parliamentary committee made an in depth analysis of problems associated with the running of Canada's penitentiaries. It took the parliamentary committee at least seven months to make those recommendations. Perhaps they can bear with me for a short time while I evaluate their recommendations, to determine which require legislative action in the House. In order to answer the last part of the hon. gentleman's question I would need to know how long the present session of parliament will last.

[Mr. Fox.]

RECOMMENDED CHANGE IN SOLITARY CONFINEMENT CONDITIONS—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. Many matters raised in this report are not new. The Solicitor General and his predecessor must have been aware of difficulties within the prison system ever since many of us were elected in 1972. One problem raised was solitary confinement conditions in all maximum security institutions in Canada. The decision of Mr. Justice Heald of the Federal Court, when he looked at the situation in the British Columbia solitary confinement section, stated that it was cruel and inhuman punishment. Surely, the Solicitor General can now give some assurance to this House that at least the effect of the Federal Court decision in terms of the conditions under which people are held in solitary confinement will be expanded to the other maximum security institutions and we can civilize the conditions of solitary confinement in Canada. I would like the minister to give us some idea as to whether that recommendation has any immediate appeal to him.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have glanced at the recommendations. There are a number that have immediate appeal to me. With regard to the ones the hon. member referred to, they are of a nature that do not require legislative change. I will examine, in a priority manner, all of the recommendations that do not require immediate legislative change, for example where changes can be effected in an administrative manner.

DATE OF CLOSING OF BRITISH COLUMBIA PENITENTIARY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the B.C. Penitentiary will have its hundredth anniversary next year. I might say the Solicitor General is invited to the celebration.

An hon. Member: In solitary.

Mr. Leggatt: In any event, the Morrow report in the sixties called for the phasing out of all of those dungeons from the 19th century yet we still have them in operation in Canada. Can the minister now give some indication in terms of the B.C. Pen, and he may want to refer to other maximum security pens, as to a final closing date of this and other archaic institutions in Canada. I would like a commitment on when we will get rid of the pen in New Westminster.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I cannot give the hon. member a specific date as to when we will close down any institution in this country. I take it that the hon. member and the members of his committee, through one of the recommendations they made, support the governments accelerated construction program which will see the phasing out of some of these institutions over the next three to five years.

TRANSPORT

INQUIRY WHETHER PROGRAM FOR ATLANTIC AREA CONDITIONAL UPON ONE TRAIN DAILY FROM HALIFAX TO MONTREAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. Can the minister indicate to the House and the people in the Atlantic provinces whether the $125 million transportation program for Atlantic Canada announced recently by him is contingent upon the assumption that the CTC recommends one daily train service from Halifax to Montreal and that other rail services be abandoned?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it does not prejudge the decisions and conduct of the CTC in connection with the overall issue. It did, however, have to work on certain assumptions about financing. Of course, we had before us a document which indicated a study sponsored by the five governments and which indicated the degree of savings which would be possible if that eventuality in fact took place.

SOURCE OF THE ONE HUNDRED AND TWENTY-FIVE MILLION FOR ATLANTIC AREA PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): In addressing the railway transport committee meetings on this subject in Fredericton earlier this week, Premier Hatfield denied there were any contingencies with regard to the reduction of rail passenger service and the funds. However, the background paper released from the minister's office indicates quite clearly that savings of rail subsidies will be available for other transportation programs in the region. Will there be any new money coming into the Atlantic region or will this $125 million flow from subsidies, the loss of at and east rates, the reduction of wages, the reduction of train operating costs and the reduction of those four trains, Halifax-Sydney? Is that where the money is going to come from or is the $125 million new money?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, what we did in looking at transportation in the Atlantic region was to identify certain areas where logical savings could be made without any detriment to the Atlantic provinces. That money was certainly identified for further investment in the Atlantic region. In addition, the agreement and the announcement of the total $125 million does include a great deal of new money for the Atlantic region. That is what made it so astonishing for me yesterday when this whole program was criticized by members of the opposition from the Atlantic area.

Mr. Forrestall: I suggest that to clear up the fuzziness, the minister talk out of the middle of his mouth instead of both sides at once. I understand—I hope I am correct and perhaps the minister will advise me if I am not—that the $125 million is not entirely new money and that a substantial proportion of that sum will be realized through the savings arising out of the directive to the Transport Committee with respect to the establishment of a single passenger train service from the maritime provinces to Montreal.

• (1430)

Mr. Lang: I have always made it clear, Mr. Speaker, that there would be savings in other areas. For instance, when making the announcement I referred to the diversion of moneys which had been available for transport subsidies on freight where it is agreed by the five provinces that those particular subsidies were not aiding the development of the Atlantic provinces. That money would, indeed, be used in other ways. I repeat, some money was diverted but substantial sums of new money will be supplied. What should be clear to hon. members opposite, as it was clear to the premiers, is that the program we have proposed is very good for the Atlantic region in terms of total progress in spending money more effectively and adding more money for the general advantage and development of the region.

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CRIMINAL CODE

ALLEGED REQUEST OF BENCHERS OF LAW SOCIETY OF UPPER CANADA TO MEET MINISTER ON CHANGES IN PRIVACY PROVISIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Minister of Justice a question.

An hon. Member: Speak up!

Mr. Woolliams: Well, if you cannot hear me over there, I can always speak louder. That is one thing I can always rely on—the same old chorus, the same old song, but no new ideas.

Some hon. Members: Hear, hear!

Mr. Woolliams: I know the minister has something in common with everyone—he would like to see the amendments to the Criminal Code, or some of them, passed expeditiously. My question arises from the fact that the amendments to Bill C-51 would have the effect of undoing and sabotaging the good work done by the committee in reference to the ensurance of privacy and the fact that the benchers of the Law Society of Upper Canada as well as members of the criminal section of the Canadian Bar Association are opposing this sabotage. In these circumstances, may I ask whether the minister has seen the benchers of the Law Society of Upper Canada? Have they requested to see him, and has he refused to see them?

Hon. Ron Basford (Minister of Justice): Answering the hon. member's question, for the moment, as a bencher of the Law Society of Upper Canada, let me say I am not aware that they have requested such a meeting. If they have, I will check into the matter immediately. Naturally, if they want to see me I shall readily agree, as I did in the case of three groups, somewhat similar, with which I met last week—the Civil Liberties Union, the Defence Lawyers Association of Toronto

and the Criminal Law Section of the Canadian Bar Association.

Mr. Woolliams: The Minister of Justice says he is a member of the Law Society of Upper Canada. Well, every Minister of Justice since confederation has been an honorary member; the hon. gentleman never got there by election but only by appointment of the Prime Minister. In the light of the fact that the benchers of the Law Society are opposed to this amendment to the bill, will the minister now reconsider his position so that the measure can get through the committee expeditiously, as he is now urging should be done by recommending committee members to get on with the job?

Mr. Basford: I shall not comment on the preliminary part of the hon. member's question except to say I hope I do not detect a note of jealousy in his comment. I said I was not aware that the benchers had taken a position on Bill C-51. If they have, I would be happy to consider it and I would be happy to meet with them to discuss the matter.

The hon. member is asking me to reconsider my position on the bill. I think he will agree with me that in connection with all the bills, including this one, I have endeavoured to be as flexible and as accommodating as I can to legitimate and responsible representation. The hon. member has asked me to move from my position. I, of course, would ask him to re-examine carefully his position of unalterable opposition to determine whether there is not some common ground on which the Standing Committee on Justice and Legal Affairs, in the non-partisan way in which it usually operates, can report unanimously the bill which is before it.

Mr. Woolliams: The minister has said he will see the benchers. Well, they will be coming to town tomorrow and will be seeing me. Would he meet with them tomorrow? When he talks about being jealous, let me say I have never been jealous of anyone so uninformed.

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TOURISM

PROPOSAL THAT TRAVEL SUBSIDY BE GRANTED TO ALL CITIZENS TO TRAVEL WITHIN CANADA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to ask the Secretary of State whether the government intends to follow the excellent suggestion made recently by the Commissioner of Official Languages, Mr. Spicer, that the government should pay a travel subsidy to Canadians to encourage travel in Canada instead of abroad since this would help improve the understanding between French-speaking and English-speaking Canadians and would also reduce this country's $2 billion a year deficit on international travel as well as being of great assistance to the ailing tourist industry.

Hon. John Roberts (Secretary of State): Mr. Speaker, I hope the hon. member is aware—if not, I will send him the information—of the program I announced in the House called Open House Canada. Under that program the travel costs of young people between the ages of 16 and 22 will be covered by the federal government to encourage them to visit across linguistic boundaries on an exchange basis. We will support that kind of exchange by paying transportation costs. We intend to evaluate the experience under this program and on the basis of that experience we shall consider extending it to other age categories and in other ways.

[Mr. Basford.]

Mr. Hees: I was aware of the program the minister announced. However, as he knows, there are a great many people in this country over the age of 22 and it would benefit them very much if they could travel to French Canada and if people in French Canada could travel to other parts of the country on a similar basis. All this is obvious. Would the minister get on with the job and bring in a measure which I am sure would meet with universal support and do a great deal of good?

Mr. Roberts: We are getting on with the job. Our position is, in the first instance, to give priority to youth. But when I announced the program I indicated we were considering extending it to families. We do have in mind the extension of the program but I think it is a wise idea to see, first of all, what possible administrative difficulties might be encountered before going on to broaden its scope.

* * *

● (1440)

EXTERNAL AFFAIRS

PROPOSAL TO CONGRATULATE UNITED STATES TELEVISION NETWORKS ON EARLY SHOWING OF CELEBRATION OF QUEEN'S JUBILEE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question has lost some of its tangyness due to the fact that I have tried to ask it two days in a row, but I shall proceed. I direct it to the Secretary of State for External Affairs. May I ask the minister to advise the United States ambassador that thousands of Canadians are grateful that television networks in the United States began the jubilee broadcasts hours before Canadian networks paid their belated honours to Canada's Queen?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have no reason to doubt the factual content of the hon. member's question. Indeed, I would be very glad to pass that message along. While I am on my feet I may say that whoever the originators were—and I believe it was the British Broadcasting Corporation—I also ought to compliment them on one of the finest pieces of television coverage that I have seen in a long time.

COMMONWEALTH CONFERENCE—SUGGESTION BRITISH GOVERNMENT MADE MISTAKE IN BARRING PRESIDENT AMIN—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. It is reported today by Canadian Press that Canadian government officials in London have stated that the British government made a mistake in barring President Amin from attending the Commonwealth conference. Will the minister tell the House whether he shares this point of view and whether this is the point of view of external affairs?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I do not know who made any such utterance. I would be glad to look into it but this seems to me to be another little piece of the incredible fairy tale that surrounds this man at the present time. If I were asked to give a specific answer I would say that the British government took the only action it could under the circumstances.

GOVERNMENT POSITION ON ATTENDANCE OF PRESIDENT AMIN AT COMMONWEALTH GAMES

Mr. Claude Wagner (Saint-Hyacinthe): A supplementary question, Mr. Speaker. May I thank the minister for his answer. Considering the strong protests which the minister has made against the violation of human rights in Uganda—and I refer particularly to statements in the external affairs committee on March 3 when he was advising the Prime Minister to have the whole question of human rights violations in Uganda put on the agenda of the Commonwealth conference—I ask the minister whether he will state that President Amin should not be allowed to attend the Commonwealth games in Edmonton in 1978?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): May I answer the hon. gentleman in this way, that strictly speaking, I suppose, as long as he is head of a Commonwealth country you probably could not have a direct bar against his attending on that ground. I have, however, inquired as to the degree of flexibility which is present in terms of the invitations that we are required to extend and I have determined that it is not necessary for us to invite President Amin, and I think it highly unlikely that we will do so.

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ENERGY

NATURAL GAS—SUGGESTION NO NEED TO CURTAIL EXPORTS TO THE UNITED STATES—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources may I direct a question to the Acting Prime Minister. It has to do with a speech made to the Canadian Propane Association by Mr. Marshall Crowe, chairman of the National Energy Board, in which he indicated that while the National Energy Board has the authority to reduce our gas exports to the United States, he felt that the new gas being found in western Canada makes any reduction unnecessary and that, to quote his words, "it is unlikely that we would have to curtail gas exports in the next five years". I would ask the Acting Prime Minister whether this statement represents government policy, and does the government approve exporting 40 per cent of our gas production to the United States for at least the next five years?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not aware that Mr. Crowe was authorized to make any statement on behalf of the government.

NATURAL GAS—PROPOSALS FOR RETAINING SURPLUS FOR DOMESTIC NEEDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. The chairman of the National Energy Board also said that western Canadian gas producers are requesting temporary gas export authorization as a means of dealing with the prevailing gas surplus, and he added that "there is a possibility such applications might be favourably considered". In light of Canada's long-term energy needs and rising energy costs, may I ask the Acting Prime Minister two questions: first, whether the government will recommend to the National Energy Board that they refuse granting any short-term export permits, excepting, of course, in the case of any emergencies such as last winter; and secondly, whether the best course to follow in meeting the justifiable request of the gas producers who need to sell the gas they have discovered in order to obtain money to proceed with further exploration would be to use Petro-Canada to buy the gas in place so that it can be kept in the ground and made available to meet the long-term and future needs of the Canadian people?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, these are interesting suggestions and representations on the part of the hon. gentleman. I will be happy to draw them to the attention of the minister and I hope he will reply later.

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ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE OF MINISTER'S STATEMENT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is addressed to the Solicitor General of Canada. Undertakings have been given by the Prime Minister in the House regarding a statement to be made by the Solicitor General tomorrow in connection with the L'Agence de Presse Libre break-in which has been the subject of some discussion in this House. Is it the intention of the Solicitor General to make this statement tomorrow? I ask this in view of the fact that I understand he is scheduled to be a speaker on long-term incarceration for a period of two days. Has there been any

change in the government's plans in connection with this statement?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I have already indicated to the House, I do not believe I said any specific date. My answer was that I would try to make the statement as soon as possible after sentence was handed down by the judge and therefore the judicial process had come to an end. I think in fairness to all members of the House I should say it is my intention to make a statement the first day the House opens following handing down of the sentence by the judge in the affair at Montreal.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. Since there is some anticipation in respect to that statement, would the Solicitor General tell the House whether or not he has any information from the Crown attorney in the area that there will be delay in the sentencing which is to take place. If so, what, if any, preliminary steps have to be taken between tomorrow and the sentencing? Can the Solicitor General assure the House that what we have taken as an undertaking that a statement will be made in the House of Commons means that a statement will in fact be made prior to the adjournment of the House?

Mr. Fox: Mr. Speaker, the undertaking stands, but I will be making the statement as soon as sentence has been handed down by the trial court judge. I have no information as to when the sentence will be handed down by the trial court judge. My understanding, as I have indicated to the House, is that the Crown attorney and the attorneys for the defence will be making their pleas as to sentence tomorrow in court in Montreal. I understand also that it is normal practice—and perhaps some members of the opposition have more experience than I in these matters—sometimes for there to be some delay between the hearing of the pleas by the attorneys and the handing down of the sentence.

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MULTICULTURALISM

INQUIRY AS TO CO-ORDINATION OF DEPARTMENTS IN IMPLEMENTATION OF OBJECTIVES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is directed to the Minister of State (Multiculturalism). In view of the fact that the government has gone to great pains to reassert that multiculturalism is a permanent government policy, would the minister inform the House whether complete co-ordination exists between his department and other government departments so that all multicultural objectives and goals become implemented as expediently as possible?

● (1450)

Hon. Joseph-Phillippe Guay (Minister of State (Multiculturalism)): Mr. Speaker, I would like to thank the hon. member for Grey-Simcoe because he seems to be the only one who is really interested in multiculturalism.

[Mr. Baker (Grenville-Carleton).]

Some hon. Members: Oh, oh!

Mr. Paproski: On the opposite side.

Mr. Guay (St. Boniface): In spite of all the noise which you hear, I would like to know the stand his leader will take pertaining to multiculturalism.

Mr. Alexander: Just answer the question, Joe.

Mr. Clark: We will start with the minister.

Mr. Guay (St. Boniface): Mr. Speaker, in answer to the question, the extent of co-ordination depends on the degree of the involvement in multiculturalism by individual departments and agencies.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): The hon. member for Winnipeg South Centre, who read the speech of another member the other day, should not have anything to say about my answer today.

Some hon. Members: Oh, oh!

Mr. Clark: Order.

Mr. Guay (St. Boniface): The multicultural activities of federal cultural agencies, which received a special mandate, are co-ordinated by an Inter-Agency Co-ordinating Committee chaired by the Assistant Under-Secretary of State.

Mr. Hees: Read it like it is written, Joe.

Mr. Baker (Grenville-Carleton): Smile, Stanley.

Mr. Guay (St. Boniface): I would like to name the agencies which are represented on the committee. They are: National Library, Public Archives, National Museum of Man, National Film Board, CBC, CRTC, and the Multiculturalism Directorate.

Mr. Hnatyshyn: Bring back Haidasz!

Mr. Guay (St. Boniface): As far as other departments are concerned, co-ordination is assured by continuous liaison in the senior staff of the Department of the Secretary of State and my own department.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Paproski: One supplementary, Mr. Speaker—

Some hon. Members: Hear, hear!

AIRPORTS

VANCOUVER INTERNATIONAL—REQUEST FOR DETAILS OF PROPOSED PARKING GARAGE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Transport. Last week the minister answered order paper question No. 1,979, wherein he reveals that the shuttle bus service between the parking lot and terminal building at Vancouver International Airport costs more than $500,000 per year. He also said that consideration is presently being given to the construction of a car park structure there, and when that happens the need for the shuttle bus service will be eliminated. I would like to ask the minister whether positive consideration is being given, at this time, and if so, what type of structure is being considered and what target date for commencement of the construction has been set?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we always have a positive view when we are giving consideration to any project. That is all the information I can give the hon. member at this time.

Mr. Hees: That is very reassuring, Otto!

* * *

[*Translation*]

INCOME TAX

REQUEST THAT MEASURES BE TAKEN SO REFUNDS MADE QUICKLY TO QUEBEC TAXPAYERS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is for the Minister of National Revenue.

Since an agreement has been reached between the Department of National Revenue and its Quebec counterpart, which provides for part of the federal income tax deducted from the source to be returned to the province of Quebec whenever a taxpayer living in Quebec, as of December 31, held a job in another province during the year, could the minister tell us why income tax refunds to Quebec have been so much delayed by her department and would she undertake to have these refunds made as soon as possible?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, what the hon. member describes as the objective of the fiscal operation in Canada is our goal, i.e. to make income tax refunds to the individuals and the province of Quebec, as soon as possible and I want the House to know that we do our best to do so.

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED HALTING OF INVESTIGATION INTO POLITICAL PARTY KICKBACK SCHEME IN NEW BRUNSWICK—GOVERNMENT ACTION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Solicitor General and is in the interest of preserving some law, order and decency, as well as the good name of the Royal Canadian Mounted Police and its individual members in the province of New Brunswick. What disciplinary action, precaution or amendments to regulations does the minister intend to take as a result of statements purported to be made by a former RCMP officer with "J" Division in New Brunswick, who halted investigation into an alleged political party kickback scheme?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as the hon. member knows, there is presently an official investigation and a judicial inquiry under way in the province of New Brunswick into the allegation of a kickback scheme. Under the circumstances, I do not wish to make any comments on the matter, at this time.

Mr. Jones: Mr. Speaker, I have another question for the Solicitor General. Would the Solicitor General be prepared to make a statement following the inquiry?

Mr. Fox: Mr. Speaker, once the inquiry has run its course, I will be able to decide whether a statement on my part is indeed in order.

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EXTERNAL AFFAIRS

GARRISON DIVERSION—SUGGESTION REPRESENTATIONS BE MADE TO UNITED STATES NO FURTHER FUNDS BE GRANTED FOR PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. On Monday, June 13, the House of Representatives in Washington will be voting on a report from the House Appropriations Committee requesting more funds for the continuing of the Garrison Diversion project in North Dakota which, if completed, will be harmful to Manitoba waters. Will the minister make immediate representations to Washington requesting that no further funds be granted until the final report of IJC is completed and presented this summer or next fall?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am aware of the hearings to which the hon. member has referred. As the hon. member knows, there have been almost continuous ongoing discussions with the United States on this matter for some time. President Carter has indicated his views with regard to the situation. His views are very much supportive of the Canadian position. Whether anything additional is required before these hearings, I am not

sure. I am inclined to doubt it. I think our position is very well known. I am happy to be meeting with the chairman of the IJC tomorrow and will be very glad to take it up with him at that time.

Mr. McKenzie: Mr. Speaker, the House Appropriations Committee report states:

None of the funds provided for the project will affect Canadian waters.

This is not an accurate statement. I have information that the funds provided in the bill do concern project features which will affect Canadian waters, namely the Lonetree Reservoir project. Will the minister do everything possible to have the increased funding stopped? The United States is acting in very bad faith.

* * *

TRANSPORT

REQUEST THAT RAILWAY RIGHTS OF WAY REVERT TO CROWN ONCE LINE ABANDONED

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Transport. In view of the statement which the minister made to the farmers in Saskatchewan, that he would be in favour of railway rights of way reverting to the Crown once they are abandoned—an obvious change of heart since the Hall Commission—I would ask the minister if he would ask the cabinet and the government House leader if they would immediately call forth the bill which I put on the order paper last January to ensure, when passed, that the railway rights of way would revert to the Crown once they are abandoned.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I assure the hon. member that I have had no change of heart on the subject, although I did await my comments until I received the Hall report. We will be considering the necessary action to follow up on that recommendation. It may or may not require legislation.

* * *

EXTERNAL AFFAIRS

PROPOSAL THAT HUNGARIAN GOVERNMENT BE REQUESTED TO RELEASE GECZI CHILDREN

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. Further to a motion put in this House last week dealing with the insistence of the Hungarian government to disallow three Canadian youths, who are being held against their wills, to be reunited with their parents in Toronto, and realizing the fact that the government is aware of this case and has taken some steps, though ineffective, for the release of the children of Mr. and Mrs. Julius Geczi, could the minister now assure this House that he will demand publicly that the Hungarian government immediately release the Gezci children in order that they may be reunited with their parents in Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the only possible exception I might take to the hon. member's question is whether I will make the demand publicly. I will certainly commit myself to taking every practical action we can take and those actions which I consider to be the most promising. I emphasize that, because the hon. member is aware that sometimes other than public declarations are more suitable in these matters. But I can assure the hon. member that we have the matter very much on our minds, that we have made representations already and I propose to make others and make them most vigorously in the most appropriate way.

* * *

● (1500)

FINANCE

EFFECT OF DIALOGUE ON SEPARATION ON UNEMPLOYMENT AND BUSINESS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. As the minister has said on Monday before the Canadian manufacturers that uncertainty in Quebec is hurting the Canadian economy, has the minister defined to what extent the dialogue of separation is causing increased unemployment and a business slow-down in Canada and in what areas?

Hon. Donald S. Macdonald (Minister of Finance): It would be very difficult to assess this in purely quantitative terms. Certainly, in terms of a more general reaction, particularly from the business community, there is this element of uncertainty as a factor which is evident in their comments.

ROUTINE PROCEEDINGS

[*Translation*]

ANTI-INFLATION ACT

TABLING OF REFERRAL TO ADMINISTRATOR CONCERNING SEVERAL COMPANIES

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a referral to the Administrator under the Anti-Inflation Act with respect to Les Pistes de Courses Richelieu Inc., the Canadian Freightways Limited and the Collingwood Shipyards and Trailways of Canada Limited.

[*English*]

ENVIRONMENT

TABLING OF REPORT ON MIREX

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table in both official languages copies of the summary, conclusions and recommendations of the task force report on Mirex to the joint Department of the Environment and Department of National Health and Welfare environmental contaminants committee.

I might say that the full report is not yet available in both official languages and that is why I cannot table it, but if hon. members are interested in existing technical copies in English, they are quite welcome to request them.

* * *

EXTERNAL AFFAIRS

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—MINISTER'S STATEMENT

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in response to suggestions by a number of hon. members, including the hon. member for Edmonton-Strathcona (Mr. Roche) and the hon. member for Greenwood (Mr. Brewin), I would like to make a statement on the outcome of the Conference on International Economic Co-operation. The conference concluded its work last week after a dialogue of 18 months. The conclusion saw many hours of intensive negotiations which have been widely reported in the press. I wish to give you my assessment of the results of the conference and their implications.

First, I want to make it clear that there was agreement on all sides that the conference contributed to a clearer understanding of the international economic situation and that its intensive discussions were useful to all participants. This point was explicitly recognized in the communique of the conference, and in fact such recognition was the key issue in determining whether or not there would be an agreed statement or report.

The conference was able to leave rhetoric behind and come to a balanced judgment that useful progress had been made. My reading of the world press leads me to believe that they have acknowledged the progress that has been made, and in fact any criticism that has been made of the outcome has been directed more at OPEC than at the performance of the developed countries.

There were, of course, disappointments. Developing countries were disappointed that some of their proposals for a structural reform of the international economic system were not met. I believe that such disappointment was inevitable in view of the wide-ranging structural change sought by developing countries over so many different areas. Developing countries did not agree among themselves on their demands and on their priorities. Some of the things that they were asking for

were probably not within the powers of industrialized governments to grant. Among these were guarantees on the purchasing power of exports and a general debt moratorium.

One of the most difficult problems at the conference was getting the developing countries to agree to focus on a number of issues where progress was both important and feasible. The positions put forward by industrialized countries, including a $1 billion special action program, support for a common fund within an integrated program for commodities, and new commitments on official development assistance, constituted a significant improvement on positions of only a few months before.

Important agreements were also reached in the areas of energy availability and energy conservation, the transition to permanent and renewable sources of energy, food and agriculture, infrastructure in Africa, and several other trade and development issues. Real and substantive progress was registered during the final stages of CIEC which exceeds progress achieved at other international conferences dealing with north-south issues in recent years. Canada in particular received very warm appreciation from the developing countries for its decision to writeoff $254 million worth of debts to the poorest countries.

Of course the industrialized countries were disappointed at the failure of OPEC to agree on an arrangement for continuing consultations in the energy field. I am disappointed that no agreement could be reached on this point. I believe, as I have stated elsewhere, that the OPEC countries, the group of 19, were in error. They made a mistake in rejecting our invitation to continue a useful energy dialogue. This was an important objective sought by the developing countries at the conference.

At a certain stage the rejection of energy consultations might have threatened all of the conference, the benefits of which were to go mainly to poorer developing countries.

One cannot easily evaluate a conference such as the Conference on International Economic Co-operation in terms of success or failure. I personally have never expected unqualified success, nor could the developing countries admit to unqualified success even if it were achieved, if only to preserve their positions for future negotiations. I have always hoped for that measure of success which is defined by real progress on the main substantive issues at play, sufficient progress on international economic problems to make it worth while to continue to pursue a constructive dialogue between developed countries.

In the course of my negotiations with the co-chairmen from the developing countries extending back many months I made it clear that in my view the best that could come out of the conference was a number of concrete results that would be regarded as progress and that that would lay a foundation for continuing a non-confrontational dialogue between north and south in other international forums. I believe that that amount of progress has been achieved. It has been achieved because of the direct interaction of ministers in the final stages of the negotiations.

I believe I should mention again that the negotiations in the three day ministerial conference or, as it turned out, in a four day plus ministerial conference, were conducted at the ministerial level. For example, the negotiations on the energy side on the part of the G8 were led by Mr. Vance. The negotiations on the integrated program were led, on the G8 side, by the British foreign secretary, Mr. Owen, and the Australian foreign secretary, Mr. Peacock, and on the other questions of debt and official development assistance, Mr. Roy Jenkins, the Minister of Energy, Mines and Resources (Mr. Gillespie), and the Swedish foreign secretary, Madame Soder, were the leaders on our side.

● (1510)

The conference represented direct interaction between leading ministers on both sides, and I believe that a much deeper understanding has been achieved as a result of this particular ministerial negotiation. It achieved important advances in the positions of the industrialized countries in areas such as official development assistance, special action, a common fund, and mutual recognition of common problems in the energy sector. The dialogue will now be pursued in other international bodies because, as hon. members realize, the Conference on International Economic Co-operation terminated in Paris. It was intended to be a conference of one year's duration. It lasted for a year and a half, mainly because of the change of administration in the United States, but now it has terminated. I believe it provided a sound basis for work in other international bodies.

The complete results of the conference and its detailed agreements will receive careful study and will prompt follow up action in many areas, and later when the detailed agreements have been brought together, I hope to have them tabled in the House of Commons so that hon. members will have an opportunity to examine the range of issues which were discussed and the number of substantial agreements and disagreements which were registered in the course of the conference.

I believe that despite disagreements and despite failure to reach agreement on all fronts, the progress registered at CIEC justifies the continuing efforts of developed and developing countries to work out their problems in a spirit of co-operation and non-confrontation. I believe that the over-all result justifies the very considerable Canadian effort which was expended at this conference, an effort which I believe has reflected very favourably on Canada internationally.

I would like particularly to pay tribute to the Canadian delegation at the Conference on International Economic Co-operation. Throughout the conference, and especially during periods of enormous pressure and impending crisis, the Canadian team of officials performed superbly in managing the conference and Canada's relationships with its participants with great skill and dedication. In conclusion—and I hope this is listened to by the Secretary of State for External Affairs (Mr. Jamieson)—I believe it is important that Canada continue to play a leading role in the area of north-south relations in the post-CIEC period.

[Mr. MacEachen.]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I want to begin by thanking the minister for the arduous personal efforts he made in his role as chairman for the developed countries at the North-South Conference.

Some hon. Members: Hear, hear!

Mr. Roche: Even from a distance I could appreciate the intensity of the midnight consultations. I hope the minister will not accept my criticism of the results of the conference as any diminution of his evident dedication to closing the rich-poor gap in the world.

What counts, however, is results, and the results of the North-South Conference are dismal. I suppose the minister feels he has to put the best face on things, but the disappointing communique issued at the end of CIEC tells me that it is time to stop this charade of applying cosmetics to the relations between the developed and the developing nations, for more and more people on both sides of the development gap are cynical about elaborate postponements, glamorous diversions, and grandiose schemes.

The minister hesitates to characterize CIEC as either a success or a failure. One has the feeling that he defines success as the absence of total breakdown. While the plain word "failure" may be too jarring for the minister to bear, let us at least agree that the North-South Conference was an un-success.

The developing countries—whose interests, after all, were the focus of the conference—put it plainly in the communique as follows:

> ... Most of the proposals for structural changes in the international economic system and certain of the proposals for urgent actions on pressing problems have not been agreed upon. Therefore, the Group of 19 feels that the conclusions of CIEC fall short of the objectives envisaged for a comprehensive and equitable program of action designed to establish the New International Economic Order.

There is no getting around the fact that the final communique listed 21 points of disagreement, including a failure to solve the debt burden and purchasing power problems of the developing countries, which were two issues which lay at the heart of CIEC. The communique listed 20 points of agreement, including the $1 billion special action program and support for the common fund for commodities, but even here the nature of the common fund was thrown back to UNCTAD.

In his statement today the minister indicated that a clearer understanding of the issues was a major gain, but CIEC was designed for action, on the ground that the multiple conferences of the 1970's have provided the education base. The minister himself acknowledged this when he told the sub-committee on international development last March 30 that a failure at CIEC, or even an apparent failure, would be a serious set-back in the process of international co-operation.

No international group has provided a more balanced analysis and program than the Commonwealth Experts, who have

published three reports, the third one a month or two ago which called for urgent and imaginative action because prevailing growth rates will not reduce the income gap between the developed and the developing countries by the end of the century.

The government has clearly not learned enough about the cause of the rich-poor gap, or the minister would not give this House the superficial analaysis that it was the OPEC intransigence in refusing to enter into an energy dialogue that led to the CIEC disappointment. Nor would he ascribe the lack of agreement to the specious argument that guarantees on the purchasing power of exports and a general debt moratorium were beyond the powers of the industrialized countries.

The real reason that CIEC ended with a whimper was because the industrialized countries tried to buy world economic stability too cheaply. In the face of declining official development assistance, and developing countries' debts of $165 billion, the special action fund of $1 billion is a cruel joke. How can we expect the oil producing nations to co-operate with us in establishing energy prices so that we can plan ahead when we do not co-operate with the developing world in helping to rectify their trade imbalances and foreign exchange earnings? What the industrialized countries have yet to learn is that the time for rhetoric and cheap aid is past. Unrealistically low offers are not conducive to good bargaining.

Rather than glossing over these realities it would have been more useful if the minister had come into the House this afternoon and spoken in the same vein as the report on international development issued by the sub-committee, a unanimous report from all the parties in this House, which said that if the developing countries, and I quote:

> ... do not display a serious desire to reform the international economic system and if negotiations do not achieve tangible and significant progress toward that end, there is a grave danger of relations between rich countries and poor degenerating into a permanent condition of confrontation and recrimination.

Finally, what about Canada's role? We offered to write off $254 million in debts, which turns out to have a net cash effect of $35 million, and we are apparently going to make a contribution to the special action fund, although the minister avoided specifying any amount in his statement. I find it very curious that there were press reports of what the amount would be, but it is not contained in the statement. Well might we make a special contribution when official development assistance has declined from .58 to .51 per cent of GNP in the past two years—hardly the movement toward .7 per cent of GNP that Canada has promised.

● (1520)

I say to the minister and all the developed countries: Stop pointing the finger at others and look in the mirror. A renewed sense of commitment and urgency must permeate our approach—both as a government and a people.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, yesterday I had occasion to refer to the Minister of Finance (Mr. Macdonald) as a hard-headed Scot. I was told afterwards that the President of the Privy Council (Mr. MacEachen) asked: what about a soft-headed Scot? I now propose to address myself to that problem! Seriously, I want to say to the minister that we appreciate the statement he has made. I think I would echo the sentiments of all Canadians if I told him that we are proud of the fact that one of the most able ministers in the government was selected as co-chairman of the Conference on International Economic Co-Operation.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am sure he represented this country in a manner of which we can be proud, and I am confident that a man of his compassion and integrity is admirably suited to discharging the duties he was asked to assume.

Listening to the minister's statement today one could not but be impressed by the fact that he was not happy about the outcome of the conference. Of course the minister is quite right when he suggest that no one conference and no one program will settle things between the industrial nations and the developing countries.

When the minister says in his statement that he hopes we can solve these problems by co-operation and not by confrontation, I think we have to be realistic enough to recognize that in the present world situation there is bound to be confrontation. How can there be anything else but confrontation in a world in which the industrialized nations have a steadily rising standard of living and in which the income gap between the wealthy nations and the developing countries is widening? It is widening because the developing countries depend very largely upon the export of raw materials to the industrialized nations. The price of raw materials in relation to the cost of industrial products has been steadily declining, and the standard of living per capita in developing nations is receding at a time when in spite of economic difficulties, standards of living are advancing in industrialized nations.

More than 100 years ago Abraham Lincoln said that no nation can long survive half slave and half free. This world has now become a global village; a nation cannot long survive in a world that is half full and half hungry. That is the problem that faces developing nations today and, as long as it continues, in spite of the rhetoric and in spite of all the good will in the world, there will be confrontation until effective measures are taken to deal with these economic disparities.

In his statement the minister says:

> Developing countries were disappointed that some of their proposals for structural reform of the international economic system were not met.

He goes on to say:

> Some of the things which they were asking for are probably not within the powers of the governments to grant. Among these were guarantees on the purchasing power of exports and a general debt moratorium.

I am prepared to grant that no one nation can meet these requests for structural economic changes or for a general moratorium on debt, but certainly the industrialized nations together could achieve those goals. We have not really given very much of a lead in solving this request of the developing

countries which, it seems to me, is perfectly justified in wanting a guarantee on the purchasing power of exports. They find the value of the things they have to sell going down so they have to sell more and more sugar, copra and other raw materials in order to buy the same amount of manufactured goods and things that are essential for modern technology.

The industrialized nations find it very convenient at certain times to enter into commodity arrangements with one another. One of the commodity arrangements from which Canadians gained a good deal of benefit was the International Wheat Agreement, which unfortunately was scuttled. It guaranteed producers a fair price and it guaranteed the consumer countries a ceiling; the selling price fluctuated between those two levels and it was beneficial to both.

Over the last 15 years some of us have been urging the Canadian government to enter into a sugar agreement which would be of great benefit to Caribbean nations. When it was first suggested we were told the price of sugar was so high that it was a bad time to enter into an agreement with sugar producing countries; when the price dropped to 4-cents per pound we were told it was a bad time for an agreement because we could buy sugar much more cheaply than the floor price.

The fact is that we are now paying the price of the failure of the industrialized countries, including Canada, to investigate and proceed with commodity agreements and arrangements which would give to the developing countries at least a guaranteed minimum price for their products and would have some relationship to the cost of things they must buy from the industrialized nations.

The same is true with reference to debt. Of course I am glad, as all Canadians are, that the Canadian government decided to cancel $254 million worth of debt of the developing countries, but this is a drop in the bucket compared to the real problem. I have seen figures which show that in some of the developing countries the amount of charges on their existing international debt is now greater than the foreign aid they receive. It may well be that if the industrialized countries want to establish a working realtionship with the developing countries, a great deal more of this debt will have to be wiped out. I do not say this in criticism of the minister; the minister could not control the policies of the industrialized nations. I think the western powers will have to recognize, however, that we are now paying the price of nearly 200 years of economic imperialism and that the developing countries still justifiably feel that they are being exploited by the industrialized nations.

I have the feeling that the proposals which were placed before this conference by the industrialized nations can be summed up in a simple phrase "too little too late" because we are working against time in trying to establish a suitable relationship between the north and the south.

● (1530)

I am sure all members are disappointed, as the minister is, by the failure on the part of OPEC countries to agree to a continuation of the dialogue. Frankly, the world is heading for a disastrous situation in energy, particularly with respect to oil. By 1990 a great part of the western world will depend largely on oil from OPEC countries, and by the end of the century Saudi Arabia will probably be the only country left with oil for export. The danger is that in endeavouring to protect themselves against the possibility of curtailment of oil supplies, the highly developed nations will turn in on themselves and resort to measures which can only lead to further conflict and misunderstanding.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

The minister said the conference has finished and its work will be carried on by other international organizations. That troubles me, for all these international organizations operate within their own limited parameters. The Conference on International Economic Co-Operation was valuable precisely because it took an over-all view and tried to make governments face the central problem, the widening gap between the incomes of the wealthy and the poorer nations of the world. I hope these other international organizations apply themselves to this task but am not optimistic about it.

I congratulate the minister on his contribution. If the conference was not the success he hoped it would be, it is not his fault. He made a genuine contribution and a worth while effort.

In closing I urge him, and the Secretary of State for External Affairs (Mr. Jamieson), to do everything possible to make sure there is an ongoing dialogue between the rich and poor nations of the world. I say this, not from any ideology, but because we recognize that the maldistribution of income in the world can only lead to international conflict, and ongoing dialogue is not so much a matter of choice as a matter of human survival.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, on behalf of the Social Credit Party of Canada, I wish to congratulate the minister for having completed his long and hard task, considering that the conference has lasted over eighteen months. Today he gave us his views on the work carried out and the limited success obtained but he stated at the same time that he was disappointed by that conference. Mr. Speaker, I think that if the minister seems disappointed today it is quite natural when two worlds meet, that is the underdeveloped and industrialized countries, it is evident that from the outset the latter will feel inferior and so quite suspicious.

When we read the minister's report this is what stands out from those debates. The minister referred to confrontations. I think that this is quite normal and even human since there are confrontations even between industrialized countries or members of the same government. We all recall that public confrontations took place in 1975 when Mr. Turner publicly held in check Mr. Gérin-Lajoie's decisions when the latter was president of CIDA. I believe such confrontations are necessary but they must be used to tackle problems in a spirit of co-operation, that is in a frank dialogue, and once in a while one should try to put oneself in the place of the other.

I feel that industrialized countries, and Canada is one of them, do not always put themselves in the place of the underdeveloped countries. When we say that underdeveloped countries have not responded to industrialized countries' proposals, I wonder, reading from this statement, whether the industrialized countries let the underdeveloped ones express themselves in the first place. It can happen that the stronger of the two might want to impose its own program, that is called the law of the fittest. The same thing happens even here on the federal level in respect of provinces. The federal sets its own program and then offers it to the other saying: Whether you like it or not. This is not dialogue but a laying down of conditions.

I believe the underdeveloped countries should have had the opportunity of an open door to make their propositions on an equal basis before another country took decisions. Indeed I feel that, although they are underdeveloped, these nations have their pride too. In this area of international trade, I believe that, because they are weak, these countries should not be expected to sell their resources at prices which are ridiculously low, while industrialized countries take advantage of the situation to sell them goods at prices which are often three times too high, if we compare the prices paid in underdeveloped countries with those paid in industrialized countries.

● (1540)

I suggest it would be interesting for the House to obtain more information. It is unfortunate that when we ask for information on these operations, we never can get them. When, for instance, CIDA spends something like $1 billion of Canadian taxpayers' money, I think hon. members of the House are entitled to get explanations, to know how the money is being spent, and also to be advised of the reactions of the beneficiaries. When we ask questions, the government often replies: "It is impossible, it would take 10 years".

However, as reported in *La Presse* of June 1, which I think most hon. members have read, this leaves us wondering, particularly after a conference like this which did not generate all the success the minister was rightfully expecting.

The people of Haiti, for example, a country we have been helping for years, write things like this; I quote:

MILLIONS IN CANADIAN ASSISTANCE
ENTIRELY WASTED

"Canada is wasting its time and money in Haiti. The dozens of millions of dollars it is spending there under aid agreements are entirely wasted. It is like subsidizing a government made up of profiteers and incompetents who stay in power through lies and violence."

It is on this aspect of dialogue, Mr. Speaker, that I want to draw the attention of the minister to know how every individual country is using this Canadian aid. Is it used against Canada or against the population of those countries, as it happens to be the case now in Haiti as well as in other countries I could name? I am not surprised at all to see representatives of these countries coming to the conference and saying to industrialized countries: "Listen now, we are not going to go along with this anymore." This is why the conference, although it was quite a painful experience for the minister and for many others, will perhaps open new perspectives, encourage some hon. members to try to be better informed and above all induce this government to give us more concrete answers about what is happening to the $1 billion we put in CIDA, since it has been said that some Canadian citizens were paid to give out our money in Cadillacs in countries where people are starving.

Mr. Speaker, all these statements lead us to wonder whether this government has really paid all the necessary attention to this agency, which in fact is said to be another department. I think the minister did not keep a close check on the exorbitant and often unexplainable expenses of that agency. I have no intention to put the blame on CIDA but merely to draw those matters to the attention of the House and of the minister. It is not enough to say that we give $1 billion in assistance to underdeveloped countries. If we are to be blamed by the people who receive such assistance, we should keep our money and leave them alone. What do these countries want? They want technical and monetary assistance of course but they want to be free to decide on the kind of life which suits them, they want to have it their own ways in adapting the development of their industries to their way of life.

I do not believe that a Canadian could ever become a true African. He can only show them new methods, train them in electronics so they can improve their standard of living, produce more and achieve self-financing. The minister has good reasons to be disappointed but he should make the best of it for the coming conferences and try to establish a genuine dialogue. It takes two to have a dialogue and as long as both groups do not discuss frankly on an equal basis, we are bound to have this kind of disappointment.

[*English*]

Mr. Speaker: Introduction of bills.

Mr. Breau: Mr. Speaker, I rise on a point of order. I would like some clarification from the Chair. I thought the new procedure provided for a short question and answer period after a statement by a minister.

Mr. Speaker: The new procedure does in fact provide for such a question and answer period at the discretion of the Chair as to whether it should take place and, if so, what duration it should be. The motivation for that adjustment to our procedures was to provide in certain circumstances a bit of a counterbalance by way of dialogue.

One of the disadvantages of the statement procedure was that the minister making a statement was met with three times the commentary from the opposition that he himself made. Therefore it was thought that by way of questions from the opposition afterward there would be some counterbalance by giving the minister an opportunity to answer such questions.

In a situation where I see no indication of a desire on the part of the opposition to put any questions, it seems to be a proper exercise of discretion by the Chair that no questions

should follow. I recognize that if questions do follow and a member of the government party wishes to participate in the questioning, that member ought to be entitled to do so. I have recognized that in the past. However, I do not think it would be a proper exercise of the discretion of the Chair to allow only questions from the government side, in the spirit of the adjustments made to the procedures.

Mr. MacEachen: Mr. Speaker, I rise on this point of order. I understand that members of the opposition are reluctant to address questions today because it is an allotted day. I should point out that my decision to make my statement today was to meet the request of the hon. member for Edmonton-Strathcona (Mr. Roche), who will not be in the House tomorrow or the next day. I was quite prepared to make my statement tomorrow so that hon. members would have a wide opportunity to ask questions and have them answered.

I find it regrettable that a question of this magnitude has not been dealt with in the normal way. It may be useful to consider whether we should have a short question period on this subject tomorrow under motions, so that members on all sides might follow up the matter more fully.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank the government House leader very much. I think that is a most commendable suggestion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps it can be understood as agreed.

Mr. Speaker: That is a suggestion that I am sure will be explored in the next 24 hours and probably exposed to greater clarity during that time.

* * *

● (1550)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,465, 2,264 and 2,306.

[*Text*]

COST OF TRANSLATING TECHNICAL DOCUMENTS

Question No. 1,465—**Mr. McKenzie:**

1. What was the cost of translating technical documents in (a) the Department of Transport (b) the Department of National Defence (c) Air Canada for (i) 1975 (ii) 1976?

2. Is the translation of technical documents in (a) the Department of Transport (b) the Department of National Defence (c) Air Canada contracted out and, if so, what are the names and addresses of the firms presently holding such contracts?

3. What was the total amount of each such contract and for how long are the contracts?

4. What was the translation cost per word in each contract?

[Mr. Speaker.]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of the Secretary of State is concerned: It is difficult, in some cases, to distinguish between technical texts, scientific texts and other. To avoid any confusion, we shall consider as translation all the official languages translation done for a department. 1. Bureau operations are accounted for according to fiscal year. The answers given will therefore be for the years 1974-75 and 1975-76. The Translation Bureau does not operate on a cost recovery basis. Therefore, for the translations done right in the Bureau, it is impossible to place a real cost on the services provided to a specific department. However, it is possible, using Bureau statistics, to calculate the average cost of translation per work and the number of words translated per department. (a) The estimated cost of official languages translation done for the Department of Transport is the following: (i) 1974-75: $520,000. (ii) 1975-76: $1,056,000. (b) The estimated cost of official languages translation done for National Defence is the following: (i) 1974-75: $2,465,000. (ii) 1975-76: $2,745,000. (c) Air Canada did not call upon the Bureau's services.

2. The translation bureau contracted out certain translations for the departments in question. However, it is not customary to provide lists of approved contract translators or lists of contract translators who have provided services to a specific department, since such information might give the person receiving it an advantage over another present or potential contractor. In 1975, 42 different contract translator did official languages translations under contract for the Department of Transport, and 63 provided a similar service for National Defence. In 1976, the translation bureau awarded contracts to 31 contract translators for the Department of Transport, and to 49 for National Defence. No contracts were negotiated for Air Canada.

3. The length of the contracts varied from one day to 21 months, while the costs varied between $4.80 and $13,545.60, although most of the contracts were carried out in less than two months and for sums amounting to less than $1,000.

4. Depending on the relative difficulty of each of the texts contracted out for translation, the prices ranged between 5.5 cents ($0.055) and 8.0 cents ($0.080) a word.

The Management of Air Canada advises as follows: 1. (a) and (b) Not applicable. (c) No technical documents were translated in 1975 and 1976.

2. (a) and (b) Not applicable. (c) Yes. Beginning in 1977. Sud Est Traduction, Hyères, France and Technitrans, Montreal, Quebec.

3 and 4. It is Air Canada's policy to seek the best value available through competitive tenders and the airlines considers resultant prices, awards and terms confidential.

FUNDS TO "LE PATRIOTE" IN 1976/77

Question No. 2,264—**Mr. Herbert:**

What was the total amount of government funds contributed in (a) the 1976-77 fiscal year (b) previous years to la boîte à chanson, Le Patriote, Montreal?

Hon. John Roberts (Secretary of State): In so far as the Department of the Secretary of State is concerned: Nil.

In so far as the Canada Council is concerned: Nil.

REDUCTION IN FOREIGN CONTROL OF AUTOMOBILE AND OIL INDUSTRIES

Question No. 2,306—**Mr. Fortin:**

Is there any programme designed to reduce to less than 90% foreign control of the automobile and oil industries and, if so, what is it?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Nil.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 1,356 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Text*]

CROWN CORPORATIONS

Question No. 1,356—**Mr. Munro (Esquimalt-Saanich):**

1. What are the names of all Crown corporations established by (a) Parliament (b) any other means?

2. Do any have subsidiaries and, if so (a) which Crown corporations and what are the names of their subsidiaries (b) how are they related to the parent company?

3. Is there any central authority, within the government, responsible for the operation of Crown corporations and, if so, what is it?

4. Are any of the corporations listed in part 1 obligated to report annually to Parliament and (a) if so, what are their names (b) if not, what are their names and to what authority do they report?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 29 and 69 are acceptable to the government.

Mr. Speaker: Does anyone move on behalf of the hon. members concerned?

Mr. Knowles (Winnipeg North Centre): I do, Mr. Speaker.

Mr. Baker (Grenville-Carleton): And I had already nodded.

[*Text*]

COPIES OF CORRESPONDENCE RELATING TO RAIL TRANSPORTATION, CONSTITUENCY OF HUMBER-ST. GEORGE'S-ST. BARBE

Motion No. 29—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of minutes of meetings, letters, telegrams, studies, etc., between the government, the Province of Newfoundland and/or the Municipal Councils, Chambers of Commerce, development associations or other interested organizations having to do with Rail Transportation in the Constituency of Humber-St. George's-St. Barbe.

Motion agreed to.

COPY OF ORDER IN COUNCIL AUTHORIZING CNR TO ACQUIRE CANADA AND GULF TERMINAL RAILWAY LIMITED

Motion No. 69—**Mr. Allard:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the Order in Council authorizing the Canadian National Railways to acquire Canada and Gulf Terminal Railway Limited.

Motion agreed to.

[*English*]

Mr. Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—TRANSPORTATION POLICIES

Mr. Frank Hamilton (Swift Current-Maple Creek) moved:

That, in the opinion of this House, the transportation policies of this government have failed to meet the needs of urban and rural Canada.

He said: Mr. Speaker, the motion before us today is similar to others moved on past occasions and I think this indicates the importance of the subject to hon. members and to people across Canada.

The transportation policies of the government are an important cause of regional disparity. I want to spend my time today supporting the concept of the so-called Crow rate and the concept of the "at and east" rates, and advocating an expansion of this concept to other areas.

In Western Canada, Mr. Justice Hall has just reported on a rail system which is at the very heart of prairie development. I realize it is difficult to take one mode of transport and say it constitutes the real problem with which an area is faced. So let us consider the question of user-pay as it applies to different modes.

In the area of civil aviation, infrastructure costs and their proportionate revenues as a return amount to something like 31 per cent over a 15-year period; these have risen by about 15 per cent to a point at which the user is now paying 31 per cent of aviation infrastructure costs. The cost picture as it applies to roads has remained relatively constant. Some 65 per cent of costs are paid in the form of various taxes imposed on users, taxes which are well known. We do not hear much about marine transportation, but in this sector users are paying approximately 20 per cent of costs. Users of railways, if we take capital and operating costs together, pay some 72 per cent. I hope this shows we should not isolate any particular mode when considering the user-pay proposition and that, as to railroads, we really have not been doing too badly, comparatively.

There is one vital part of railway grain operations which has not often been mentioned, that is, the turn-around time taken by grain cars. Normally the grain cars generate one way freight traffic every three weeks or so, sometimes once every month in winter. If we take a freight rate of 13 cents a bushel, a 2,000-bushel car would generate about $260 every trip. A 3,000-bushel car would generate approximately $400 per trip. If some way could be devised to shorten the turn-around time, if it could be reduced by half, the revenue earned by each of the grain cars would be doubled. This is an area in which much improvement could be made by the better utilization of our grain car fleet.

As I said, I should like to support the concept of the Crow rates and the "at and east" rates and ask for its extension. I should like to do this by, first of all, looking back on Canada's transportation history, and the reasoning behind it, in the hope that the minister will change his attitude.

If we look back, we find that the railways have been used as an instrument of national policy in the development of the wealth of this country, and that they have not been treated as economic entities on the basis of the user-pay concept. We can go right back to the very beginnings of our country when Upper and Lower Canada were divided by cultural and sectional differences. They had never been intended by nature to form separate economic systems because the St. Lawrence River was bound to unify the drainage basin economically.

There are, therefore, better reasons than the political union of 1841 for discussing the pre-confederation Canada as an economic entity. New York had challenged the St. Lawrence trade route, first by the Erie Canal and then by the railways. Canada had countered, first by the canal system of the St. Lawrence built as a government project and, second, by the Grand Trunk Railway, relying heavily on government loans. Both these Canadian ventures failed to attract the trade of the American middle west, and ended in financial trouble.

To give some indication of the importance placed on transportation in the early days, I might remind the House that by 1866, if canals are included, government investments in transportation amounted to almost 60 per cent of the provincial and municipal debt.

The maritimes were stirred to link themselves to the continent behind them and their governments undertook ambitious railway programs as public works. By the eve of Confederation, transportation had overshadowed everything else in the budgets of the colonies and had seriously strained the public finance systems of Canada, New Brunswick and Nova Scotia.

After Confederation the prime policy was to provide east-west channels of trade, independent of the United States, by building a transcontinental railway wholly over Canadian territory. Such a railway would open the undeveloped lands of the west for settlement and fix the political and economic destiny of the area.

The public lands of the northwest were to be used by the Dominion to promote railway expansion and rapid settlement. Land grants would provide the greater part of the public assistance required by the railways. The railways, in turn, would make the lands valuable and a free homestead system would attract a rush of settlers.

The decisions to build an all-Canadian railway and to establish a vigorous Dominion land policy were basic national decisions which, together with the adoption of the protective tariff, which was soon to follow, fixed the pattern of subsequent economic development in the Dominion of Canada. The main features were railway land grants and the free homestead system. The half-hearted policy of building a national railway piecemeal as a public work was discarded, and in 1880 a group of capitalists agreed to undertake an all-Canadian railway to the Pacific as a private enterprise. The Canadian Pacific Railway Company was promised substantial cash subsidies and grants of western lands.

Surmounting great difficulties, the railway to the Pacific was completed in 1885. Land grants and cash subsidies stimulated great railway mileage and by 1896 there were over 16,000 miles of line—one mile for every 312 persons in the country.

Between 1896 and the start of World War I, the average of the prices of all Canadian exports increased 32 per cent. That of grains and flour increased 62 per cent, and the price of wheat at Liverpool increased 33 per cent. On the other hand, the average of the prices of Canadian imports rose only 24 per cent, and of manufactured goods 20 per cent in the same period. A development of probably more far-reaching significance was the phenomenal decline in ocean freight rates. In 1896 ocean rates were only about one half of what they had been during the 1870's.

The great decline in transportation costs, the increase in the prices of cereals, and a relative cheapening of the factors which entered the costs of production, i.e. manufactured goods and imports in general, suddenly brought the virgin resources of the prairies within the scope of the international market and within the range of profitable exploitation. Capital and capital goods, the essential means for making exploitation possible, were cheaper than ever before. The prices of iron and steel, which largely determined the cost of railways and of the implements of production, were falling steadily in relation to the value of products of the farm. Interest rates were the lowest in recorded history, and the British investor was willing to lend overseas in unprecedented volume.

● (1600)

There was another set of circumstances in western Canada which made it available almost as soon as its attraction was felt, that is, the comparative uniformity of conditions, concentration on a single crop, and the ease with which transportation facilities could be provided and cultivation begun in a grassland terrain. There were no classifications of resources, no soil surveys, no climatic records to guide either the government or the unwary settler. The policies and methods of the Dominion were mainly designed to serve the national purpose of filling the northwest at once with as many people as possible.

The selection of land was left largely to chance and to the devices which colonization agents, railways, and land companies employed in their own immediate interests. The sectional survey, railway land grant schemes and pre-emptions illustrate a system designed for indiscriminate mass colonization. It worked with almost mechanical perfection.

Between 1896 and 1913 one million people moved into the three prairie provinces and the population increased from 7 per cent to 20 per cent of the total Dominion of Canada. The area of occupied land increased from about 10 million acres to 70 million acres, and the production of wheat from approximately 20 million bushels to over 200 million bushels. At the end of the period the value of agricultural production in western Canada reached a total of between $300 million to $400 million annually.

Looking back at the broad concept of Canadian transportation and the policy of national development, it was the unbounded optimism which led to the birth of the railway problem. The development of the northwest within so short a time brought prosperity and rapid economic expansion to the rest of Canada.

The settlement of the west took place within the framework of the national policies of all Canadian transportation and protective tariffs. The application of these policies directed the growing demands for capital equipment, for manufactured goods, for distributive and commercial services in the Canadian channels, thus bringing expansion in other parts of the Dominion. Construction of the railways, deepening of the canals and improvement of the harbours necessary to transport the increasing volume of western grain over Canadian routes stimulated economic activity in the east and gave it a large share in the moving of western products to the markets of the world. The building of towns and cities on the prairies, equipment required on the farms, and the consumption demands of the population required enlarged quantities of manufactured goods. The protective tariff enabled Canadian manufacturers to capture the greater share of the new market, thus giving a tremendous impetus to industrialization in Ontario and Quebec, to the coal and steel industries of Nova Scotia, and to the lumber industries of British Columbia.

The two national policies of all Canadian transportation and protective tariffs were closely related. The former made direct economic intercourse between the separate regions possible. The latter promoted east-west traffic, and under the stimulus of western expansion the two together produced a remarkable degree of interdependence among the widely scattered and diverse communities of which Canada is made up. So we have an economically loose transcontinental area transformed into a highly integrated national economy.

There were extensive costly duplications of railway trackage over long stretches of unproductive country. The optimism was pardonable in the days up to 1913. However, the burdens which it ultimately imposed on the federal government must be regarded as the cost of promoting the national purposes of development, national economic integration, and political unity. It may be true that many regional, provincial and local interests were served, but these were only incidental to the prosecution of larger purposes.

To attain the objectives of that costly policy it was necessary to secure a level of rates which would counteract the north-south pull of geography and, if possible, alternative routes to draw traffic over the east-west lines instead. Hence, the Dominion played an important part in shaping the railway rate structure by legislation, rulings of the railway committee, of the privy council, and of the board of railway commissioners.

The objectives of the Dominion appeared clearly in the Crowsnest Pass agreement of 1897. Under this agreement, Canadian Pacific Railway, in return for a subsidy for the construction of the Crowsnest Pass line, undertook to reduce rates on grain and flour moving from the prairies to the head of the lakes by three cents per hundred pounds, and to reduce the rates on a considerable list of settlers' household and building supplies moving westward from Fort William and points east by 10 per cent. The federal government made other agreements with the Grand Trunk Pacific Railway in 1903 which stipulated "that the thru rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports".

At the same time the eastern exports rates case in 1905 and the international rates case in 1907 resulted in a decrease of about 10 per cent in export rates from Ontario and in the merchandise class rates in eastern Canada. Also, the rates between the maritimes and central Canada were directly under the control of the Dominion through its operation of the Intercolonial Railroad. Because of the location of the line and

the desire to promote traffic, the tolls were kept far below the level of profitable operation.

It is impossible to relate all the detailed effects of Dominion policy on the Canadian freight rate structure. Certainly the broad decline in the level of rates was accompanied by a narrowing of regional differentials. This, together with the special concessions to certain commodities, encouraged inter-regional trade and promoted the development of new areas, particularly in western Canada. All this led to a measure of prosperity in the central provinces that had not been seen since the 1850's. The highly specialized export production in western Canada and the decline in the competitive position of the small maritime manufacturers made Ontario and Quebec the manufacturing centre of the country. The growing volume of traffic from the prairie region moved over the railways, the waterways, and out through the ports of the central provinces. Banks, insurance companies, mortgage companies and other financial institutions in these older communities quickly extended their activities to the expanding west where they came to occupy virtually the whole field.

This commercial and industrial concentration was accompanied by rapid urbanization and the growth of metropolitan centres in central Canada. It was accompanied also by the rise of great national business organizations having their headquarters in Montreal and Toronto. Manufacturing, finance, and transportation seemed to be dominated by a few large corporations whose operations extended across the entire continent.

This period saw the development of a remarkable centralization in a country of such widely separated and varied regions. This should give us reason to think when we compare our transportation situation today with what we had when the country was developed. As I have said, the railways have never been dealt with as economic entities; the government has always treated them as instruments of national policy to build and to bind our country together and to give a service. This is really what the Hall Commission proposes, and I urge the government to give some assurance soon that the main thrust of Mr. Justice Hall's report will be accepted.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are living at a time when, according to all the experts, within the next five or ten years this country will be short of energy. We will find ourselves in a situation where we will have to import oil from South America or the Middle East, paying whatever is the international price at the time—money which we can ill afford. We ought to have begun to take steps to try to reduce our consumption of oil.

Unless we find ways to cut our consumption of oil we will have to import oil in increasing amounts as we run out of the oil we now have in Canada. There are a number of important steps which could be taken, particularly in the field of transportation policies which affect our cities and rural areas. None of these policies have been implemented, or even begun by this government under this minister. In his desire to win a majority, the Prime Minister (Mr. Trudeau) made a large number of election promises during the 1974 election. They were promises in connection with urban transportation which, if implemented, would have had an advantageous effect on our cities and would have led to the saving of substantial amounts of gasoline. This gasoline is now being used by people in the cities, driving to and from work in their own automobiles.

● (1610)

I should like to quote from a report in the June 18, 1974, edition of the Montreal *Gazette* with reference to a speech made by the Prime Minister in Toronto on June 17. The article was written by George Radwanski, and it reads as follows:

> A Liberal government would pay 100 per cent of the cost of Canadian-made vehicles and 50 per cent for platforms and stations, Prime Minister Pierre Trudeau said here yesterday as he unveiled the second element of his transport policy for urban areas.
>
> The program, to cost $275 million in the next five years, aims to "help cities to grow more harmoniously, to make cities people places rather than machine and building places," Trudeau told a noon-hour crowd of about 4,000 at the outdoor plaza of the Toronto-Dominion Centre.
>
> Where the federal, provincial and municipal governments "agree a certain rapid system will benefit the people and is compatible with good urban planning," said Trudeau, a re-elected Liberal government would pick up its share of the tab.

It was estimated that the cost to the federal government would be somewhere in the neighbourhood of $250 million to $290 million. We have seen nothing of that promise.

According to the *Globe and Mail*, the Minister of Finance (Mr. Macdonald) was reported as saying the following in an interview on February 18, 1977, in Toronto:

> The federal government's 1974 election promise of a national $290-million mass urban transit program is dead . . . the program was killed because of spending restraints.
>
> "The program that we contemplated in 1974 cannot be realized within the time frame of this parliament," he said.

This was said at a luncheon meeting between some federal cabinet ministers and the chairman and mayors of metropolitan Toronto. The article continues:

> Asked about possible federal assistance for the Toronto Area Transit Authority's plans to expand the GO-transit system, Mr. Macdonald said Transport Minister Otto Lang would be making a decision on the matter shortly.
>
> However, when asked whether the transit authority would get the 50 per cent subsidy it is seeking for a four-year, $150-million expansion and upgrading program, Mr. Macdonald said: "That kind of money just isn't available . . . (for commuter transit) in one region of Ontario."

In the next five to ten years we must encourage a sharp reduction in the use of the private automobile. Until we have a modern, efficient, rapid urban transit system in Canadian cities, we can expect Canadians to use their own cars to get to and from work.

I would like to illustrate what I mean by referring to the situation in the city of Ottawa. Since 1974 we have had two or three increases in the price of bus fares. In 1974 the price of a single fare was 25 cents. Today it is 50 cents for a single fare or five tickets for $2, which means 40 cents per trip if one buys five tickets at a time. The transit system in Ottawa is operating at a deficit, and there will be other increases unless the federal or provincial governments will provide a subsidy for the so-called losses of the bus system.

I would like to draw the minister's attention to what is happening in my city of Winnipeg where the provincial government has paid half of the losses of the transit system for the last number of years, and is paying for half the cost of new buses purchased by the Winnipeg Transit System. Even though that policy would seem to cost money, it will help to wean and encourage people to leave their own cars at home and use the public transit system, which is much less costly in terms of cost and much more efficient in the use of gasoline or diesel fuel necessary to move a customer from one place to another.

We have had a complete repudiation by the government of promises made in 1974 during the election campaign. These promises were listened to by the people of Canada, and particularly the people of urban Canada, as they elected Liberal members to office, which gave the government a majority. That is all I have to say with regard to the lack of policy by the government in terms of urban transit.

In July, 1973, at a time when we had a minority government and at a time when the Liberal government listened to people outside its own ranks, the four western premiers met in Calgary for what they called the Western Economics Opportunities Conference. There were three NDP premiers and a Conservative premier in attendance at that conference in Alberta. Despite the fact that they had, and still have, substantial differences in their political philosophies, they agreed on a large number of issues. One of the major agreements they reached was on some of the changes which were required in national transportation policies. They published a document outlining some of the things which they believed needed doing. I should like to put on the record some of the proposals they made, which were greeted with a good deal of interest and verbal support by the then minister of transport who said publicly, at the time or about that time, that the transportation system in this country was a mess.

Some of the proposals made by the western premiers were as follows:

> National policy must recognize that an efficient and adequate transportation system, making the best use of all available modes of transportation, is essential for the economic and social well-being of Canada and its various regions. National transportation policy must recognize that competition at present acts unevenly between the various regions of Canada and between large and small users of transportation services. As a consequence, the development of the western region of Canada is inhibited by the lack of positive policy direction and the discrimination inherent in our present system of freight rates.

They asked for amendments to the National Transportation Act, something which has not been done. They said the following with regard to regional development:

● (1620)

> To utilize cost information which will be available, a new approach to rail pricing is required which involves:
>
> (a) A federal contribution to the fixed and overhead costs of comparable proportions for all modes of transportation,
>
> (b) The establishment of a new rate-setting procedure which will promote the economic development of western Canada. This pricing policy is to be developed by the Western Transportation Evaluation Authority to be established immediately . . .
>
> Every effort must be made to ensure that local western industry is protected and that no part of western Canada is unduly disadvantaged by the implementation of a new pricing technique. This requires the completion of indepth impact studies before any new method becomes effective. Export rates must be protected and statutory grain rates maintained. The Western Transportation Evaluation Authority will co-ordinate the implementation of any new pricing technique.

When I reread that report today I found it sounded familiar. It seems to me that I had heard that same kind of thing from another source, and I so looked to the news stories that were written after Mr. Justice Hall issued his report, almost four years after the Western Economic Opportunities Conference made the recommendations from which I have quoted. Here is what Nick Hills reported, in dealing with the Hall Commission report in a news story which appeared in the Winnipeg *Tribune* of May 18, 1977. He said the following with reference to Mr. Justice Hall's report:

> He has upheld the hallowed Crowsnest Pass freight rate and, indeed, says it should be expanded to cover all agricultural products exported out of this region.
>
> He has said, like the western premiers in every political strife, that the raw materials should be processed here—and not in central Canada. He has inferred, again like the western premiers, that the railways engage in duplicity—for having settled the west originally, they now want to settle the future, again to their advantage.

Then Nick Hills said, and I want to draw this particularly to the attention of the Minister of Transport:

> Mr. Justice Hall has gone almost all the way to meeting the arguments of the western premiers that the railways and Ottawa between them are the barriers to a new economic future, based on fairer tariff, tax and freight-rate policies.

In other words, what Mr. Justice Hall has done is in fact to repudiate all the policies which the Minister of Transport (Mr. Lang) has been following since he became the minister.

The directions in which we should go are clear, both in terms of urban transportation and rapid transit, in terms of commuter transportation such as the GO system and the kind of commuter service that they have had and will not have if the government permits the railways to increase the rates and discontinue the service that they have provided into the city of Montreal, and in terms of reorganization, rationalization, and planning of our rail system in western Canada.

I suggest to the minister that if the same kind of study as Mr. Justice Hall has done for western Canada were done in the maritimes, we would get the same kinds of recommendations to rationalize the system, to use the railways, to stop charging cost against the railways which are not calculated in the use of an airline buses or trucks. In other words, what Mr. Justice Hall has said, and what the western premiers were saying in 1973 is that what we need is a co-ordination of all our methods of transportation, of rails, buses, airlines, trucks and private passenger cars, so we get the most efficient use of all modes of transport so that the people will benefit, rather than one group as compared to another. We have not had that kind of thinking by the Minister of Transport and I do not believe we will have it. It is for that reason that I and my party support the motion before us today.

It is not too late. The minister can rethink his policies; he can begin to use the kind of broad policies advocated by the western premiers and by Mr. Justice Hall, and he can begin to

give the kind of consideration to the transportation needs of this country which he has not given until now.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, this is the second day of debate on transportation questions. Yesterday's subject was a fairly broad one dealing with transportation problems in Canada, particularly the Atlantic and western regions. Today's subject is even broader since the motion refers to transportation problems in Canada, urban and rural, and I am not sure whether that is meant to leave out anything or whether a portion of central Canada has been left out in the mix between the two motions. The extraordinary thing which anyone listening to the debate must observe, and which I wish had been widely observed, is the lack of real criticism or of substance in the comments we have heard up to this point in relation to broad government policy on transportation. Transportation is such a broad field, there are so many fronts on which we are moving and so many things happening, yet so few of them have been mentioned in the debate here.

We have heard from the hon. member for Swift Current-Maple Creek (Mr. Hamilton) comments on the history of transportation, which presumably demonstrates the urgency of the problems with which we are dealing. Besides that, he mentioned a number of fronts on which we are moving and, generally speaking, while he did not say so in words, he was endorsing the position taken on the fronts on which we are moving. He and the hon. member for Winnipeg North (Mr. Orlikow), broadly embracing the principles of the Hall Commission report, have certainly picked up where the government policy stands on this. Indeed I wonder if very often action has followed so swiftly on any document or commission report as has been the case with the Hall Commission report.

As hon. members know, almost within ten days of the receipt of the report, action was taken on the first and most important recommendation of the Hall Commission in regard to the transfer of 1813 additional miles of rail to the basic rail network. The following day I met with producer groups and others in Regina to outline to them the ideas which we had and on which we thought we could move forward rapidly in relation to the other recommendations of the Hall Commission report, some of which will take further consideration and deliberation over time.

I should say that the meeting in Regina was certainly a very receptive one in terms of the reactions and attitudes of those who attended. I note, for instance, a report in the Regina *Leader-Post* dated Saturday, May 28, in which Boyd Anderson of the Saskatchewan Association of Rural Municipalities described the meeting as a positive effort to resolve complex issues. Ted Turner of the Saskatchewan Wheat Pool praised fast government action to adopt the main recommendations of the report. He said, "Establishment of a prairie rail action committee . . . is a necessary catalyst". Mr. Gordon Harrold of the Alberta Wheat Pool expressed surprise at how quickly the government had moved to implement the report. Mac Runciman, president of United Grain Growers, was impressed that only ten days after the complex Hall report was tabled, the government was already acting.

[Mr. Orlikow.]

• (1630)

A headline in the *Western Producer* read "Speedy Action on Hall Report Recommendations". A *Free Press* report from Winnipeg carried the headline "Lang Moves Quickly on Hall Proposals". Another story in the *Manitoba Co-operator* is headed "Lang Moves on Hall Report", and there is a subheading above it which states "Will Retain Crow Rates". That was dated June 2, 1977.

The Hall report was an important document. It was part of an ongoing series of actions which have been taking place in the prairie area to deal with the grain handling and transportation system, and in those main things we have the support of hon. members opposite. I will come back to some of those details just to put into context the nature of the Hall report. It builds upon what we are doing throughout this country in transportation and upon matters which are under way and which are very fast moving, about which hon. members opposite have little to say.

It is true that the hon. member for Winnipeg North referred to our urban transit program, and there again he broadly endorsed and supported what we said we wanted to do, what we intended to do, and what we had already done in part in terms of the commuter program and the commitment of money for that program and other urban transportation programs.

The hon. member for Winnipeg North was critical, and I understand that. His comments were legitimate opposition criticism of the fact that, to this point, our consideration of government restraint of spending has led us to delay implementing parts of what we wanted to do and what we said we intended to do. Therefore, again on a major policy question there is agreement except on the question of timing and on the question of spending money immediately. Of course an opposition can always be more ready to spend money in particular areas, but it reserves the right to criticize government spending as a whole.

What I want to do today is briefly touch on some of the matters hon. members opposite ignore when they criticize transportation policy. The very nature of the attacks and the debate demonstrate how much agreement there would have to be on where we are moving. It is true that yesterday some hon. members were critical of the moves which have been taking place in the Atlantic region in relation to a historic agreement reached between this government and the four Atlantic governments on how we should proceed to improve transportation in those provinces. It is worth noting that it is rather historic to get that kind of agreement on a variety of steps, including the transfer of money to support the movement of certain goods, money which ought to be spent in better ways to help the Atlantic region.

We ought to spend money to help with the shipment of goods and to pay the shipper rather than to apply it to a mode of shipment, so that the producer has a choice of shipment. We ought to examine very critically each form of our spending in transportation, and in the Atlantic region we reached an important agreement to add more money because of this

government's commitment to the development of the Atlantic region, where that development is so badly needed. However, we also considered the diversion of money which was spent in ways which were less efficient than was seen to be possible. Surely that is a principle which ought not to come under criticism from any sensible member who is trying to help this country grow and be more productive.

We created a commission in Newfoundland to pull together all the analyses of the many transportation problems facing that area, and the composition and the terms of reference of that commission were agreed upon with the government of Newfoundland. We do not share common partisan philosophy, but we are capable of agreeing with these governments and working with them when we are able to demonstrate, as we have in these cases, the good sense of the proposals and the benefit to Canada they have. I think hon. members should recognize that as a significant accomplishment.

It is true that in Prince Edward Island and New Brunswick the issue of how to move the potatoes which come out of those areas is an extremely sensitive one, but again the setting up of a small work group to report quickly and effectively on this problem, and to pull together in a final way what has been done and studied in this area, has been warmly welcomed in those areas, and I look forward to its results.

On the other side of the country we have a similar kind of situation with British Columbia. There were years of grievances that the mainline ferries between the mainland and Vancouver Island were not receiving support when constitutional agreements for support had been arrived at with Prince Edward Island and Newfoundland. This year we reached an agreement with the province of British Columbia whereby we will provide a form of assistance and support for an essential crossing connection, which would always find it difficult to pay its own way completely. That demonstrates what I have been saying constantly, and that is that while there is a general proposition that it ought to be recognized for the sake of productivity in Canada that costs ought to be reflected through a transportation system unless you have a very good reason why they ought not to be, there are these reasons for not doing so: remote areas, difficult access, and so forth.

However, as I said in Hamilton last week, hon. members should really observe—and hon. members in the Conservative party particularly—that it is practically impossible to support the market system without supporting the view that, by and large, transportation costs in relation to the doing of other things and the accomplishing of other objectives should be shown through to the people who choose one mode or another, as with shippers in the Atlantic region. Better that they who ship should choose whether they ship by rail, truck or water than that we as a government should use a bureaucratic approach to interpose particular subsidies and assistance which divert their choice from the most sensible and economic one for them to something else.

I know that Conservatives find it very easy to scoff at the particular words "user pay" because they like to lead people to fear that that means pay excessively. It does not. It means being realistic about costs. It means we should have a sensible system which reflects costs, and that is a principle which is being broadly introduced in many ways. When we introduce that in the air mode of transportation, we are actually moving to answer some of the criticisms which have been at other times aimed at government policy for distorting in favour of one mode against another and, of course, our very principle is to move against that.

Simultaneously, in the air mode I ask hon. members opposite if they have any criticism about the increased consultation which has been instituted with the airlines and with the other users of services so that their views will be fully taken into consideration in future major developments all over this country in transportation, which had not been the policy of the past? It is the policy today, and it is another example of how the government has been moving in order to make transportation more responsive, more sensible, and more an instrument of productivity of a high form.

All across this country people are interested in rail passenger services, and here again surely hon. members opposite might have some comment on the view that in order for rail passenger service to become a potential significant contributor as a means of transportation again we have had to change the policy of the past under which rail passenger service was shortchanged. We have done so. We are committed to moving to 100 per cent subsidies between what passengers can pay and what is needed to provide a good and reasonable service, rather than leave the service on a declining basis because of a shortage of revenue to the railways. That, I hope, is a policy upon which hon. members opposite will finally comment.

What we have also had to do, however, is say to the CTC, as an instrument to examine these questions in all their local aspects and implications, that there are some services for which alternatives are clearly available where the passenger load factor is not adequate to justify the kind of expense to the taxpayer which would be required to maintain the service, and that in those cases the service ought not to be continued at those great expenses. That surely is a balanced and reasonable approach. It puts on the record that the government has come down on the side of future development of rail passenger service and on the side of the hope that it can gradually attract more passengers, demonstrate its usefulness, and indeed move toward self-sufficiency in its main areas, even though it will always need assistance in more remote areas. I would ask hon. members opposite to comment on that, and to have some regard for the taxpayer and government spending. Simply paying out money from the taxpayer does not mean that the cost has been avoided; the cost is real, and those who pretend it is avoided in that way simply miss the boat.

• (1640)

Our ports policy statement indicated a clear intention to move toward port commissions and decentralization of all functions which can be properly decentralized, into port regions. This will minimize bureaucracy at the centre, and I would have thought this would have been commented upon

and praised. Certainly those most concerned with ports have welcomed this move. They have been intimately associated with the developements taking place, and I think they will welcome the legislation which I hope will soon be introduced in this House. That broad principle of minimizing bureaucracy and decentralizing operations is being put forward very generally in our programs.

Hon. members spoke about transportation without mentioning many of the recent developments. WEOC was mentioned. I ask hon. members to remember WEOC and the claims for cost disclosure. This government has introduced cost disclosure legislation and, day by day or week by week, has been providing the provinces with the information they wanted about costs. This has laid to rest a good number of myths about a lot of cost matter where there was a fear that too many of the freight rates were ignoring costs and reality.

Bill C-33 which is before the House is likely to be delayed, because in addition to the many hours it has already taken on second reading I am told that many more will be required and so it may not be possible to get it through in this session. Some of the most important principles in that bill are the introduction of the western economic opportunities reply to the question of whether long-haul rates should be lower than short-haul rates, and the very important issue of whether some limits should be put on freight rates in a more realistic way than was done in 1967.

The railways do not like the maximum limits that would be imposed by Bill C-33 because they recognize that even those limits, which at the very beginning are fairly modest restraints, will cause the lowering of certain rail freight rates, particularly on those products where the railways say they are charging what the product can easily bear but which really means they are over-charging when the market can bear it. That is what Bill C-33 is meant to alter and if I had the co-operation of hon. members opposite we could move ahead rapidly in that regard.

I mentioned the Hall Report earlier. I could also mention the Snavely Report which dealt with the analysis of the cost of moving grain and indicated the problem of that cost being a great deal higher than the long established and often called sacred Crowsnest rate on grain.

That of course leads to a natural reference to the government proposition contained in the 1975 paper which Mr. Hall has endorsed and which provides if that rate is being prescribed which is below cost—and as a matter of policy that is being prescribed—then the government ought to pay the difference between that rate and the real cost. Certainly I have indicated desire to see that the railways have the required funds, following along the lines of the Hall recommendation, to get on with the upgrading of the rail branch lines which in the prairies is so badly needed. In the Regina meeting on May 28 I indicated that such was my intention.

Both the Hall and the Snavely reports deal with the important area of grain on the prairie provinces. Hon. members opposite did not mention the many other things that are being done to make that system work better. There is the purchase of 8,000 hopper cars which western members frequently refuse to talk about because, if they did, they would have to praise the government; nor do they stop their colleagues from other parts of the country from sounding critical because the government spends that kind of money on a western problem. This is a sign of the disunity in the policies of that party, and it spreads disunity, and suspicion, and resentment across this country.

The Conservative party is guilty of preaching disunity and preaching different views in different parts of the country at all times.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. Minister of Transport (Mr. Lang) has the floor and all other hon. members will have their chance to speak. I am prepared to stay here until ten o'clock if necessary.

Mr. Lang: Thank you, Mr. Speaker. That should just about give me time to go through the list of things that the government has done and to detail them adequately for the edification of hon. members opposite. I was going to mention a few other things in relation to the Hall and Snavely recommendations in regard to the grain handling system on the prairies.

I might mention that we were able to achieve an agreement between the two railways that would eliminate back hauls, which for a long time have been the subject of criticism. That was mentioned at the Western Economic Opportunities Conference. I welcome the suggestion of the hon. member for Edmonton Centre (Mr. Paproski) that we are about ready for another conference of that sort. Certainly it would be a good thing to review matters and remind the west of how much has been done. He and his colleagues are so numerous in their negativisms that they often mislead people in the west about how much has been accomplished. Another conference would probably be a very good idea.

Mr. Paproski: It is about time to do it because the next election is coming up.

Mr. Lang: When the boxcars of the railways were falling into disrepair we introduced a special repair program for them, and we developed a new quota system which was attacked by both opposition parties as being destructive of old values. It is now recognized in the west as being absolutely necessary for the effective movement of grain as fast as the Wheat Board needs it. The block shipping system was a marvelous addition to the usefulness of our railway equipment by reducing turn around times.

We have the Manz Report on how cars should be allocated for grain. We have the trucking program which the Canadian Wheat Board was able to institute at our cost in order to ensure that damp grain could be dried. In every area we have been moving rapidly to improve our transportation system.

These are things which have been done from one end of the country to the other, and much of it has been done through agreement with the provinces of disparate political beliefs.

There is the Atlantic agreement, the Newfoundland agreement, the task force in relation to the potato problems of PEI and New Brunswick, the historic agreement on ferries with British Columbia ending that long-standing grievance, and the creation of standing committees on transportation with each of the regions of the country. These are demonstrations of the rapid action taken by the government in regard to transportation. The Hall Commission report is another example of how quickly we will pursue matters. It is true that the transportation needs of this country are being met effectively and sensitively. The opposition's lack of ability to comment on these many programs of action is the clearest demonstration of the government's achievements.

Some hon. Members: Hear, hear!

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I could not help but notice with some amusement the minister's comments about the unity of policy within the Conservative party. I wonder if the minister might comment about members of the Standing Committee on Transport and Communications, one of whom is in the Chamber at the present time. During our deliberations in eastern Canada, each member categorically, as a matter of record, divorced himself from the minister's user-pay concept and said he would do so publicly and in the House of Commons. I wonder if the minister would like to reflect upon the unity of government policies within his own party. That seems to me to be more relevant than what the minister would like to postulate as a difference of opinion and analysis.

An. hon. Member: That is not true.

Mr. Whiteway: It is true and I can get the record to prove it. The record is clear on it.

● (1650)

Mr. Paproski: Go back to sleep.

Mr. Whiteway: Stand up on a point of order and make the charge. It is true, and I can prove you are wrong.

The Acting Speaker (Mr. Turner): Order, please. Will the hon. member please address the Chair?

Mr. Collenette: Mr. Speaker, I rise on a point of order. The hon. member for Selkirk (Mr. Whiteway) has made a serious charge about the conduct of members on my side of the House. The hon. member for Restigouche (Mr. Harquail), the hon. member for Madawaska-Victoria (Mr. Corbin), and the hon. member from Saint John-Lancaster served on the committee in the Atlantic provinces last week. To my knowledge, and I have not read the transcripts of the reports, none of us said any of the words the hon. member attributed to us in his speech. I ask him to withdraw those remarks, because they are unfair innuendoes.

Mr. Whiteway: Mr. Speaker, the hon. member is wrong. It is not unfair innuendo. It is actually accurate accusation.

Mr. Paproski: Put your seat on the line.

Mr. Whiteway: I am speaking only factually, and will at the earliest opportunity present to the House of Commons such documentation as is necessary from the minutes of those committee meetings—

Mr. Collenette: Do it right now.

Mr. Whiteway: They are not available. The hon. member knows they are not available, Mr. Speaker.

Mr. Collenette: I think they are.

Mr. Whiteway: They have yet to be printed.

Mr. Collenette: How can the hon. member be so sure about this?

Mr. Whiteway: As soon as the documentation is available, I will make it available to the hon. member and the House of Commons.

Mr. Collenette: Then do not make a charge.

The Acting Speaker (Mr. Turner): Order, please. I suggest a dispute is going on between two hon. members. The hon. member for Selkirk has the floor for the purpose of making a speech.

Mr. Landers: Yes. Stick to your text.

Mr. Whiteway: Mr. Speaker, I shall speak this afternoon on urban transportation. The minister spent most of his 20 minutes dealing with subjects other than urban transportation. On the shelves of this country's governments, federal, provincial and municipal, there are millions of dollars worth of studies concerning transportation, studies dealing with short and long-term plans for urban rapid transit, with systems which would provide intra-city transport facilities for industry, business and residents. It is important to consider the scope of the problem.

Apparently the minister avoided speaking substantively on urban transit. The fact remains that urban transit is of concern to the 75 per cent of Canadians living in our cities, the three largest being Toronto, Montreal and Vancouver. One can think of ten other Canadian cities of substantial size. By the year 1990 at least 90 per cent of all Canadians will live in urban centres, something with which the minister neglected to deal. He did not tell the House the government's plans for urban transport. His own departments' demographic studies show that in future we shall see a concentration of industry, people and housing in our urban centres, which has serious implications for demand for land and infrastructure such as schools, recreational facilities and transport. We shall need not only a network of rapid transit; we shall need good roads as well. This concentration of Canadians in large urban centres also has implications with respect to energy costs, and the quality of the life of the citizens of those urban centres. As I say, 90 per cent of all Canadians by 1990 will live in large urban centres.

On March 4 this year I spoke in this House and used the term "crisis convergence". I said that in each of the areas I mentioned there is now a crisis or the potential for a crisis, and it is certain that in four or five years, or perhaps ten if we can postpone it that long, all the elements of crisis will converge together, to produce a crisis. Hence I used the term "crisis convergence".

To meet our difficulties, the government must produce a new, national urban policy. It should not be a piecemeal, fragmented or partial policy; it should be an all-encompassing, bold, imaginative transport policy for our cities, and we needed it yesterday, so to speak. It is certain we need it even more today.

The government cannot hide behind the classic question we have heard often: who has the jurisdictional and constitutional right in this field? Let us hear no more arguments as to whether the cities are the creatures of the provinces or if the federal government can deal directly with municipalities. These arguments are not good enough. They are but fiddling while Rome burns. Is it not ironic that city administrations are the last on the totem pole when it comes to acquiring finances, but first on the totem pole in provision of services for Canadians?

Good transportation in our cities is the underlying part of the infrastructure which can make life in our cities tolerable, which can allow Canadians to live in urban centres, or in the suburbs and travel to work. Only if you build a vast, rapid transit system in each city can people live in the suburbs and work in the city core. No matter if you talk of polycentric cities, or cities as we know them today with a central core area and outlying suburbs, rapid urban transit is necessary if the cities are to function. Indeed, what is a basic characteristic of successful cities in the world? Mr. Speaker, it is a modern, fast transit system.

Basic to this question is the government's list of priorities. As I said in the House on Monday night, the government has its priorities all screwed up. The minister said nothing to make me change my mind. If the government's priorities are what it says, it should do what it promised in the election campaign. I mentioned some of those election pledges on March 4 this year, and will repeat some of them.

You may recall, Mr. Speaker, that the Prime Minister (Mr. Trudeau) made these promises on June 17, 1974. What are those pledges? I shall quote my own remarks on March 4, as reported on page 3673 of *Hansard*, as follows:

> The Liberal government will pay 100 per cent of the cost of new commuter vehicles. The Liberal government will pay 25 per cent of the capital cost of all vehicles purchased. Financial support will be made available to encourage Canadian design and engineering. The Liberal government will offer assistance. Canadian industry will be encouraged to develop 'off the shelf' standardized systems and equipment. The Liberal government will encourage urban transit systems. The Liberal government is committed to removing the 12 per cent sales tax. The Liberal government will offer the best use of existing railway rights of way. The Liberal government will rapidly implement the railway relocation act.

The government calls these pledges. They are not thoughts or whimsical ideas; they are a definite commitment to action, a commitment the Prime Minister made. And what has changed between June 17, 1974, and the present? Why, Mr. Speaker, the Liberals won another election.

We in Canada urgently need mass, rapid transit for our cities. We must plan for the future, when 90 per cent of Canadians will live in our cities. That being so, I say those pledges are nothing but black, foul lies. Three months ago the Minister of Finance (Mr. Macdonald) was in the city of Toronto, a city which critically needs a modern rapid transit system. He announced that the $190 million that had been promised and allocated for the development of a rapid transit system for Toronto was no longer available.

● (1700)

It is all well and good for the Minister of Transport (Mr. Lang) to stand in his place in this Chamber to tell us what he has accomplished. I know he works hard. I know there have been some accomplishments. I know that we do not sing the minister's praises often enough. Perhaps that gets him down. However, it is our responsibility to point out weaknesses, not to sing his praises. The minister was elected to act. His reward is that he has been elected. I hope the minister is not attempting to intimidate me from carrying out my responsibility and pointing out that nothing is being done in the area of urban transportation.

In addition, the minister has reneged on promises, pledges, and commitments. The government cannot make these kinds of retractions with little consequence. The results of this inaction and reneging will have serious repercussions in years to come.

I ask the minister to take seriously under advisement the task of resetting the priorities of his government. He should at least put on paper and begin to act on his commitment and priority to put in place a fast modern rapid transit system in at least the three largest cities in Canada, namely, Montreal, Toronto and Vancouver.

Why does it make sense for us in Canada to put into action a rapid transit system? First, it is obvious that half of Canada's oil and gas consumption is used for intra-city transportation. If we were to have a mass rapid transit system in our Canadian cities, by 1985 we could cut that amount by 50 per cent. In other words, we could reduce the total consumption by 25 per cent. I realize the capital cost would be in the neighbourhood of $5 billion, but that investment would save 25 per cent of Canadian energy needs in eight to ten years. We can see the kinds of results that would have on our transfer payments, requirements of offshore oil, energy conservation, and balance of payments. It should be done if for no other reason than that it makes good economic sense.

Second, a mass rapid transit system in our Canadian cities would give us an opportunity to do something that we have already begun. We are already ahead of most of the world in our technological development of a massive rapid transit system. We have a corporation which has been doing extensive work, financed mostly by the province of Ontario, the Urban Transportation Development Corporation. We could export this technology. The world market in the next 20 years will be

in excess of $25 billion. However, the $5 billion required to put a mass rapid transit system in place in our Canadian cities would be a break-even cost even if we did not sell a nickel's worth offshore. It makes good sense that we talk about a mass rapid transit system for Canada because of the potential of the industrial development in the exporting of our technology, know-how, and the kinds of jobs it could mean for years to come.

Third, it makes good sense to look at transportation in the cities because of the effect it can have on the affordability of homes. Other members have pointed out that one cannot take a job if one cannot get from where he lives to where he works. If the cost of a gallon of gasoline goes to $2 or $3 in the future, then with the high cost of housing it will be almost impossible for Canadians to own a home on the periphery of a city and drive some distance to their jobs. Even if they can buy a home, they will not be able to afford to drive to and from work. A mass rapid transit system would fill that need.

Fourth, if 90 per cent of all Canadians are going to live within our urban centres, we have to look at the quality of life ten, 15 or 20 years down the road. To a large degree the quality of life is contingent on the mobility that one has within a city. Can you get to the arena, the schools, downtown shopping, to a job, to the recreational facilities, to your friends across town, the zoo or the museums? If you are immobile, your quality of life is substantially less. Unless we have a modern transit system, that quality of life will suffer.

It is unfortunate that every city in Canada today is in debt as the result of its transit system. Not only do they have a capital debt, but they are unable to pay the interest. Every transit system in Canada that I know of is in the red.

I will use my city of Winnipeg as an example. Every year that city has a $1 million capital cost simply to replace buses. Every year it has an operational deficit of $19 million. The trend is away from our transit systems because they are awkward and cumbersome. In 1962, 44 per cent of those travelling in Winnipeg used the transit system. In 1971, our latest statistics—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1710)

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, for the second time in as many days, we are discussing a motion dealing with the government transportation policy. In both cases, Mr. Speaker, the motion was introduced by a member of the Progressive Conservative Party. I wonder whether it is because the Tories have realized that the Minister of Transport (Mr. Lang) is now experiencing difficulties and, like vultures, they are trying to snatch the prey for themselves while he is in deep trouble, but that would not be gentlemanly behaviour. On the other hand, with heavenly inspiration, perhaps they have discovered that transportation is now facing some problems and they have decided to move two motions in a row to make up for their past neglect of the matter.

Whatever it may be, Mr. Speaker, it is unacceptable that the transportation policy of this government should be inadequate and fail to meet the needs and requirements of our vast country. The government cannot deny the fact, for it acknowledged it when it introduced Bill C-33 entitled:

> An Act to amend the National Transportation Act and the Department of Transport Act for the purpose of defining the objective of the transportation policy for Canada and authorizing the consequential rearrangement of powers and duties relating to transport and to amend the Transport Act and the Railway Act in respect of freight rates and other matters.

And today, the motion which is being debated reads as follows, and I quote:

> That, in the opinion of this House, the transportation policies of this government have failed to meet the needs of urban and rural Canada.

Mr. Speaker, as the hon. member for Villeneuve, a riding in northwestern Quebec, which is far from large centres, I can certainly speak about the crucial importance of establishing a consistent transportation policy which would take the particular needs of remote areas into consideration. I would like to deal a few moments with the importance of having a coherent transportation policy in remote areas such as the area I have the honour to represent. Mr. Speaker, for some towns such as Val-d'Or, Chibougamau, Senneterre and Malartic, an efficient transportation system is a prerequisite to their development and to the survival of their people. It is absolutely necessary to improve the transportation system between northwestern Quebec and the large centres if this northwestern area is to pursue its development and if the area I represent is to continue its industrialization.

On several occasions last year, I have had the opportunity to be the spokesman for my fellow-countrymen with regard to problems of delayed freight transport between Montreal, Val-d'Or and Senneterre. I was then receiving a number of letters from merchants, manufacturers, businessmen, chambers of commerce and especially municipal councils. They were all bitterly complaining—and rightly so—about delays of several weeks between the time an item was put into the hands of the railways and the moment it arrived at its destination. It is clear that the economic life of northwest Quebec suffered many hardships.

It is regrettable that Bill C-33 does not deal with this important problem of exceedingly long delays between the moment an article is handed to the railway and the moment it arrives for delivery. The proposed legislation bears heavily on problems brought about by the rates levied by railway companies. The cost for transporting freight by railway certainly deserves our attention and I understand very well that the Canadian Transport Commission must see that shippers of freight pay reasonable rates.

Mr. Speaker, this is all the more necessary since there is no real competition in that area. If we want to prevent overly

blatant inequities, it is important that maximum rates be established and that the commission be in a position to determine whether the rates applied are reasonable or not. As I said earlier, Mr. Speaker, I regret that this bill gives no explicit authority to the Canadian Transport Commission to judge whether there is a reasonable delay between the moment the railway company takes over the item and the moment the item reaches its destination. I therefore urge the minister to consider amending the end of his bill to include provisions to that effect. Shippers would be sure that the company would not accept overdue delays in shipments. I know for a fact that it is one of the major areas of concern for all those who have to use freight transport on a regular basis.

At that time I also asked repeatedly of the then Minister of Transport to consider reducing shipping delays. I can give a concrete example to show how much a transport policy which accounts for the particular needs of isolated areas can be important for the social and economic future of one region. Mr. Speaker, I did listen a moment ago to members discussing the transport problems they encounter in their own region.

As far as we in northwestern Quebec are concerned, if we dare ask either the department or the Canadian Transport Commission how it is that an area like ours where over 200,000 people live cannot have a better railway service, the answer those people can give us is, of course, that the railway and particularly the passenger service in that area are not viable. Personally, Mr. Speaker, I am not prepared to accept that answer. But what can be said about an area as remote as ours where the only two adequate means of transport at present are the plane or the automobile when one thinks that only going from Ottawa to the closest place in my riding takes just about 15 hours by railway. Those same people are telling us that it is not viable. Of course, and it is understandable that it is not viable.

When one thinks that today, in 1977, we can still travel with locomotives dating back to the years 1900-1925—and I know what I am talking about here because I had an opportunity to take the train from Cochrane, Ontario, to Rouyn with a transfer in Taschereau, and I had an opportunity, which might never re-occur, to board a train where the seats were made of wood. When I say that the minister cannot prove that such a means of transport is viable, I would ask him to try to shorten the time that we have to spend in those cars.

Mr. Speaker, hundreds of groups, organizations, citizens in my riding are now fighting for improvement. I know this does not come under federal jurisdiction but still I would like to mention it any way. I said earlier that we had only two means of transport—the plane and the automobile. I would like to talk here a bit about what I have been most concerned with for about two years, and that is the road from Montreal to Val-d'Or. Last year, before the provincial election, we managed to get all our local provincial members of parliament under one roof to fight for a better road. Everybody, all parties recognize that the highway is in a real mess. Of course, Mr. Speaker, this is an area, as I was saying, of provincial jurisdiction, but it is also an issue of transport policy which concerns all those northwesterners who travel this highway. Mr. Speaker, the condition of the road is so bad that I do not even dare use my car to cover the distance to my constituency every weekend, for heavy trucks travelling from Val-d'Or to Montreal have been banned from this road for the past five years, and—

Mr. Demers: Go and tell the PQ that this is a provincial responsibility!

Mr. Caouette (Villeneuve): That is what I said a while ago. Mr. Speaker, the hon. member is right when he says that this is a provincial responsibility, and I repeat, he is right.

But, if this matter comes under provincial jurisdiction, why is it that in another field such as that of education the federal government interferes to finance teaching in the provinces? The federal government should be able to help financially the provinces whose budgets are insufficient to ensure the creation of a basic highway network to join outlying areas to the larger centres, especially in the area that I mentioned earlier, the one I represent in the House.

The federal government spends a lot of money for higher education even though this comes under provincial jurisdiction. In my opinion, it could just as easily offer credits or subsidies to the provinces to improve the highway networks when this becomes necessary. As I said some time ago, even if this comes under provincial jurisdiction, the increase in the price of gasoline, as the hon. member who has just spoken said, the oil price increase comes under federal jurisdiction. Yet, people in northwestern Quebec have to pay for this increase, even though they were not even consulted to see if they were prepared to pay more. I would ask the minister to consult his colleague, the Minister of Finance, to consider using the revenue generated by higher gas prices in northwestern Quebec to help the provincial government provide suitable roads for the people that I have the honour to represent, so that they may get where they want safely.

As concerns Highway 117, the provincial government has been saying for years that they do not have the money for repairs. Yet, the situation is terrible and greatly hinders the economic development of northwestern Quebec. Mr. Speaker, this is why I believe our national transportation policy cannot ignore this problem which is extremely important for the survival of northwestern Quebec.

I would therefore urge the Minister of Transport to consider meeting his provincial counterparts as soon as possible with a view to establishing some form of financial cooperation to improve the road system in the area. I am convinced that all the people in northwestern Quebec would be grateful to the Canadian government if this led to concrete results.

Mr. Speaker, in a somewhat different line of thought, I would like to refer to a problem submitted to me by Nordair aviation, a company serving my area. Nordair president André Lizotte wrote to me recently about a clause that was inserted in their operating licence by the Canadian Transport Commission. Under that condition, Nordair is prevented from providing a direct flight between Montreal and Val-d'Or only. The

flight must continue through to Matagami which means the plane cannot fly Montreal through Val-d'Or and return.

The effect of that condition is that Nordair must cancel the flight when weather conditions are unfavourable between Montreal and Matagami. Even if there is perfect weather between Montreal and Val-d'Or, only Val-d'Or passengers are prevented from taking that flight. That condition in Nordair's licence is unfair in my view and in the company's also. I feel that the Canadian Transport Commission, if they have the interests of northwestern Quebec residents at heart, must delete that condition and allow Nordair to use jets.

In fact, the only thing that prevents the company from using jets or faster planes is the fact that the Matagami airport cannot handle that type of plane. As a result, passengers on the Montreal-Val-d'Or line do without the comfort of jets merely because of that restriction written in on Nordair's permit. I trust the commission is willing to cancel that condition which deprives the people in northwestern Quebec from quality service in that field.

Mr. Speaker, those are the few remarks I wanted to make at this point in the debate on the motion before the House today. As for the other airlines, I should merely like to ask the minister what is going on today with the discussions the Chibougamau people had with the former Minister of Transport, as well as the present minister, about the Chibougamau airport which, it will be remembered, we in northwestern Quebec, at the time of the 1974 election, when the then minister went about the area—

● (1720)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: No.

Mr. D. M. Collenette (York East): Mr. Speaker, before I get into my remarks it is interesting to note that the motion before the House reads as follows:

That, in the opinion of this House, the transportation policies of this government have failed to meet the needs of urban and rural Canada.

This is a very serious charge indeed for the Conservative party to make, Mr. Speaker, yet at this hour they have but three members sitting in this Chamber. I am sorry, four. This is the party which brought this motion before us today, and there are only four or five of its members present in the Chamber. I consider that to be an absolute disgrace.

● (1730)

An hon. Member: There is also one member behind the curtain.

Mr. Collenette: Can the people of Canada believe in the sincerity of this motion when the opposition cannot muster the required number of members to listen to the debate, no matter which side is speaking? It indicates the great disarray which is evident on the other side.

Before getting into the basic meat of my remarks, the hon. member for Selkirk (Mr. Whiteway) made a very serious charge. Unfortunately he has left the Chamber and will not be able to hear my remarks. I find that to be quite discourteous on his part. He made the charge that hon. members who were in the Altantic region last week with the Standing Committee on Transport and Communications—the hon. member for Restigouche (Mr. Harquail), the hon. member for Madawaska-Victoria (Mr. Corbin), the hon. member for Saint John-Lancaster (Mr. Landers), and myself—were flatly opposed to the government's transportation policies, especially with reference to the user-pay concept. This is not true, and the record will show that none of the four members who were in the House at that time made those remarks. Before the hon. member for Selkirk makes any future charges, I think he should check his facts.

The eclectic nature of this motion is such that I can speak about any aspect of the transportation policy. The minister talked about a general transportation policy, the hon. member who introduced the motion talked about a transportation policy in the rural context, and the hon. member for Selkirk dealt extensively with urban transit. I do not want to repeat remarks I made on March 2 in this Chamber in regard to urban transit, although I will make a few references to what I said at that time. Along with the hon. member for Halton (Mr. Philbrook), I have been foremost on the government side in pressuring the government to come up somehow with some commitment in the field of urban and commuter transit.

The promises uttered by the Prime Minister (Mr. Trudeau) in June, 1974, were somewhat unrealistic. If you add up all the costs of the promises announced, the government would be virtually bankrupt if they were implemented within a short span of time. On March 2 in the House I made an argument to the effect that we must partly discharge our obligations in order to preserve some good faith and credibility with Canadians in the larger cities, especially in metropolitan Toronto.

The charge has been made that the government has done nothing in the field of urban commuter transit, and this is another falsehood uttered by the opposition. Grants were first made available by the government in the fiscal year 1972-73 for research and demonstration projects. About a year and a half ago the government announced a program of capital assistance for various commuter projects. The first grant under this program was made available on April 1 of this year. The purpose of this program is to assist provincial and municipal authorities in designing and developing new technology, operations and innovations for urban transit. It was also to assist those authorities in the purchase of commuter vehicles and related facilities. The provisions of this program are manifold.

Under the Department of Transport Act, the Transportation Development Agency may enter into agreements with the provinces or municipalities to share the costs of transportation research over a set period of time. Besides providing financial support, the agency is to participate in the project, as a

member of the steering committee. It is to monitor progress and provide advice and policy direction for urban commuter services. Grants are to be made to provinces and municipalities to assist in the purchase of commuter vehicles and related facilities. At the beginning of April this year this program covered about $100 million. This is simply not enough. I allude to the $290 million figure which has been referred to in the press and in the media over the last couple of years, which is the amount the government should be sinking into urban commuter transit.

In Toronto we have about $58 million of improvements which are required for the Union Station operation—80 per cent under the great separation program for the Bathurst Street bridge and a 50-50 split on the renovations of the Union Station. The minister is sympathetic to the government providing this assistance and is very sympathetic to the whole question of federal financial assistance to urban commuter transit. But the minister cannot live in a vacuum. He has to operate within the context of the cabinet and has to live within the severe financial restraints which the cabinet has imposed upon him over the last year. They have taken a very commendable approach in terms of government restraint. Contrary to what the hon. member for Selkirk said, the Prime Minister has not closed the door to any federal financial assistance to urban commuter transit. I am sure some aid will be forthcoming in the near future.

I should like to talk about the government's transportation policy in the urban corridor between Windsor and Quebec City, which is the most populated section of this country and is a section which could support a high development of mass transit services, specifically rail. Hon. members in the Chamber who know me and know what I have said in the Standing Committee on Transport and Communications over the last few years, are aware of the fact that I am very partial to the enhancement of passenger rail services, especially where they can pay their way in the urban corridor. The government has started to change its thinking and has started to make an effort to upgrade passenger-rail services in the corridor. Unfortunately the government has to do a somersault and completely change its thinking over the past 25 years, which has emphasized the development of air services in this country. I should say that is to the government's credit, because air services in this country have done a lot for Canadian unity.

Last week when returning from the maritimes I flew Air Canada from Halifax to Toronto. Within two hours I was transported from a very distinctive region of Canada, which is isolated in many respects, to the heart of Toronto. This was the result of very fast, efficient air service. Air services have brought the country together. Canada is second to none in the world in the development of air facilities. Perhaps we have been a bit too generous in the amount of money we have made available, especially for airport terminals. I am thinking of the expansion of the Toronto airport, Dorval, and now Mirabel. I understand there is also expansion under way in Edmonton. The hon. member for Edmonton Centre (Mr. Paproski), if he is paying attention, would be most interested in hearing that. I believe we spent a lot of money in Calgary as well on improving their air terminal.

• (1740)

Having established these terminals, having established this high quality of air service, I think it is incumbent upon the government, especially at a time when energy shortages are quite apparent, that we must develop more energy efficient forms of transportation. In the urban areas, in the highly populated corridor, rail is the only answer. As a result of the over emphasis on air, rail service has deteriorated in the corridor, as it has deteriorated across the rest of the country. But air services themselves in the corridor do not necessarily make money, and the best figures that I could get from Air Canada show that in the last few years they have been losing around $10 a seat on their service between Toronto, Ottawa and Montreal, which anyone in the Chamber who travels the route would find quite astounding considering the amount of patronage given to the air service in that corridor. But it is purely a question of economics.

To put planes up in the air between Toronto, Ottawa and Montreal is very costly, and it is the long-haul passengers from the west and from the east who, for many years, have subsidized the travel of intercity passengers in the corridor region from Quebec to Windsor, and especially in the Montreal, Ottawa, Toronto region. It is my contention that the government should be doing even more to upgrade rail services, increase speeds and general efficiency, and computerize reservations for passenger rail service in the corridor.

The minister has announced a couple of programs which will help to achieve that end. One is the $30 million capital assistance program for new equipment which, I understand, initially was to be used in the Quebec, Montreal service, but which apparently will be used for the purchase of equipment throughout the corridor. The second is the introduction of a 100 per cent subsidy, the rationalization of non-profitable services, and in general the bringing together of the subsidy money that the government pays for passenger rail service now and putting it into services that have some form of commercial viability.

At the same time that the government is doing this, I am quite worried that it is perhaps undoing a lot of the good work that it has set out to do. I refer specifically to the proposed development of a STOL service between Toronto, Ottawa and Montreal. I think the government should do a lot of soul-searching about its equity position in de Havilland aircraft in Toronto and in encouraging STOL service in the corridor region.

As we know, the government owns about 80 per cent of de Havilland. Of course it wants to sell these planes but until now it has not been able to do so. The Minister of Industry, Trade and Commerce (Mr. Chrétien) said in the finance committee recently that we only have a firm commitment for the sale of one Dash-7, and the reason we cannot sell the planes is that we do not have purchasers in Canada. I suppose the thinking of the Department of Industry, Trade and Commerce is that if

we do have a full fledged service between Toronto, Ottawa and Montreal using the Dash-7, this will encourage foreign buyers.

The Dash-7 is a very good plane. I understand it has some energy limitations and it is quite expensive, but it is good for use in the maritimes, in the rural communities, or in the outports in Newfoundland. It could be used, I am sure, on the west coast of B.C., and could perhaps help to phase out some of the high costs of operating a ferry service on the west coast. The Twin Otter is used by Nordair in northern Ontario, and I understand the province of Ontario wants to set up another service in northwestern Ontario. This is how the Dash-7 and the Twin Otter can best be used. They should not be used for commuter type service from a city downtown to another city downtown, because if the STOL service between Toronto, Ottawa and Montreal is allowed to operate from the Toronto Island airport, it will cut into the potential patronage of the rail services, this at a time when, as I have explained, the government is trying to upgrade passenger rail services in the corridor.

As far as I am concerned, a businessman travelling between Toronto, Ottawa and Montreal—his ticket is always paid by expense account—should have no option. He should just be able to go to the international airport and take the conventional jet service and pay for that privilege. I do not particularly want to make it easier for businessmen to travel between Toronto, Ottawa and Montreal if it means that we will take away a potential source of revenue for railways, because rail does not serve the businessman on a business account, it serves the ordinary wage earner, the person who cannot afford to travel by plane between Montreal and Toronto.

The train is very versatile. You can have one coach with a dining car facility with all manner of food and beverage service for which the businessman can pay, and you can have the coach and other forms of accommodation which are considerably cheaper. Therefore rail is a much more popular mode of transit.

Secondly, and this is a more parochial issue because I represent a constituency in the east end of Toronto, if the STOL service is to operate out of the island airport we will not be bothered too much by the noise. I am sure the two constituencies to the south represented by members of the New Democratic Party would have more noise from an increase in the traffic flow to the Toronto Island airport. What concerns me is that, representing as I do a constituency which is not a particularly wealthy one, the average working men and women cannot afford to travel outside of the city by car or bus to cottages but seek their recreation on Toronto Island.

Anyone in the House who knows Toronto very well knows that Toronto Island parks have become very crowded over the past few years, and to increase air traffic at the island airport would mean the building of parking facilities and a bridge over the western gap. A bridge under it would be difficult to build since boats use the principal channel. It would mean also the development of a great infrastructure for the island airport. This would destroy the recreational compenent of Toronto Island which is so dear to the people of metropolitan Toronto.

I can see that my colleague, the hon. member for Bruce-Grey (Mr. Douglas), who is a great proponent of STOL service, does not agree with my sentiments. I do not disagree with regional STOL services operating out of the island airport to small points such as Bruce County, Parry Sound or Peterborough, using Twin Otters, but what I do object to is a mass movement of people by Dash-7, which seats 50 passengers, between the major cities because I see that this is merely an attempt by government officials—I say government officials because I want to draw the distinction between government officials and ministers who, I am not sure, are fully aware of the implications of the development of a STOL service on the Toronto Island—of the Department of Industry, Trade and Commerce and the Department of Transport to bail themselves out of the difficulties, such as the whole question arising out of the expansion of the Toronto International Airport at Malton.

The Acting Speaker (Mr. Turner): I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with unanimous consent.

Some hon. Members: No.

• (1750)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, with only ten minutes left I am afraid I had to deny the hon. member more time. The hon. member for York East (Mr. Collenette) suggested that nobody from the government side in the Transport Committee was willing to oppose the user pay concept. Had he been in his seat at the time the statement was made he would have heard it loud and clear, and I submit that the silence of other Liberal members on that committee at that moment, and the applause of other members from the House of Commons, gave assent to the statement that they did not support the user pay concept, so the caucus opposite is somewhat divided. The hon. member should not have accused the hon. gentleman from Selkirk as he did.

The hon. member for Villeneuve (Mr. Caouette) covered a great deal of the ground I wanted to cover. Time prohibits me from covering all the ground I would like to cover, but I commend that speech to the minister. I ask him to read it because therein lies the fault Canadians are finding with the transportation structure of Canada. Individual lines are not serviced, roads are not good enough, air service is regulated to a degree which is ridiculous in certain areas, and that is also the case in the Atlantic area. I submit that if the transport system in the Atlantic area had been as good as the minister implied in his remarks, then the Transport Committee of the House of Commons would have flown by public carrier and would not have used a government plane to take its members from place to place. With the existing air schedules in Atlantic Canada, had they resorted to public carriers, they would have spent their time in airplanes and airports, and would have had little time to consider the interests of the public in the transportation field.

The minister referred to Bill C-33. If I am not mistaken, it was introduced on March 1, and when it was introduced the

minister was not here to introduce it. The subject has not been addressed as yet by the minister. It was debated three or four days in the House, and then it disappeared from sight.

Mr. Lang: Mr. Speaker, I rise on a point of order. It is true that I was unavoidably absent when the bill was introduced, and I was grateful to the acting minister for delivering the speech I would have delivered had I been here. However, I think it is quite unfair for the hon. member to imply that I have not taken an opportunity to speak since, because the rules of the House very clearly would only allow me to speak as the mover of the motion once all other speakers who wished to participate had done so, and it is clear—from all indications there are many hon. members opposite who are ready to filibuster that important bill—that that would be a long time from now.

Mr. McCain: That bill disappeared from sight on March 7, and the government has not seen fit to bring it to the surface since. To blame the opposition for the disappearance of that bill from public consideration is grossly unfair, and the public is asking why it happened. It conflicts with the budget, the supplementary estimates and other business of the House which, by government standards, have higher priority. As evidenced by this week's conduct of the House, the government does not know what to bring forward, and Bill C-33 could have come forward on a dozen occasions.

I wish there were time to cover the whole matter, but there is one thing which has to be clarified completely. This House has been led to believe—by statements emanating if not from the minister at least from his department—that there was a deal made between the premiers of the Atlantic area and the Department of Transport whereby in lieu of $125 million there would be a trade-off in passenger service. At the CTC hearings in Fredericton Premier Richard Hatfield of New Brunswick said that the four Atlantic provinces did not make any agreement with the Minister of Transport (Mr. Lang) to trade off the federal aid to rail services in order to get $125 million in highway and airport improvements.

This morning Premier Campbell stated that no agreement had been reached between the four Atlantic premiers and the Minister of Transport. He said the offer was inadequate. He also stated that Premier Moores agreed with his remarks of that day and that they were looking for a better deal. Premier Campbell also stated this morning, "We are meeting every two weeks and getting nowhere". Negotiations which the minister referred to in the Atlantic area have not been able to make progress virtually since the day they were established because the Government of Canada, through its successive ministers of transport, has chosen to exert the force of its size upon the minute sections of Canada and has imposed upon them restrictions, regulations, and deprivations which are not in any way merited.

Let us consider this $125 million for airports and roads. The highway budget of the province of New Brunswick for 1976-77 was $123 million. For 1977-78 the estimate is $145.2 million. Over a three-year period the province of New Brunswick could therefore look forward to receiving 5.5 per cent of its highways budget, if it was lucky, out of the $125 million offered by the Government of Canada.

All this is done in the name of austerity, but in spite of advice to the contrary and in spite of the need for austerity at that time, Mirabel was built. In spite of the need for austerity in the present budget year, a $200 million skyscraper is being built in the city of Montreal. Added to that expenditure the announcement of some other project in Montreal was made, I suppose in an effort to return a member from Verdun. Austerity is an excuse when it is required, and expenditure is a policital weapon to bribe the public when it is in the best interest of the government. So the minister should not throw austerity at us again, and he should not say that austerity is in any way restricting the efforts of the Department of Transport.

While we were in the Atlantic area we received complaints about our ports, those under the Harbours Board and those which are not. We also received complaints about the rates for the transportation of goods within the Atlantic area as compared with the rates in British Columbia. When wood products are transported by the same railroad in B.C. the cost is 60 per cent less than that charged in the province of New Brunswick. We were told that if there was an emergency in Bathurst, we would have to drive either to Montreal or to Toronto, or charter a private plane, because the transportation system of Canada would not provide emergency service.

We were told that air freight was inadequate, that space was not available, and that when air freight parcels were moved into the province of New Brunswick, they were moved by truck from Moncton to Saint John and to the airport, and they could be picked up two days later, with luck. As suggested by the hon. member for Villeneuve, the minister has not been getting down to the nitty-gritty of transport. He does not understand what is going on.

There is only one solution to the problem of having proper port service in Canada so that transportation can be used as an instrument of development and that is service. The Atlantic area requires $100 million to $150 million to be spent on its ports. Rails in Atlantic Canada require improvement, just as they do across Canada. The Conservative party believes that transportation is an instrument of development, and excuses are not adequate.

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

Mr. Whiteway: Mr. Speaker, I rise on a point of order. Earlier this afternoon during my speech the hon. member for York East (Mr. Collenette) challenged some comments I made with respect to certain comments made in the Transport Committee on Tuesday, May 31, in Saint John, New Brunswick. I told him I would undertake, as I am doing right now on

a point of order, to quote from the Minutes of that meeting, which read as follows:—

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Selkirk (Mr. Whiteway) that this is not a point of order, but a matter for debate.

Transportation Policies

With the conclusion of this debate proceedings on the motion before the House have expired pursuant to Standing Order 58 (11). It being six o'clock, this House stands adjourned until tomorrow at 11.00 a.m., pursuant to the order made Monday, May 30, 1977.

At 6 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Thursday, June 9, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed, from Monday, June 6, consideration of the motion of Mr. Marchand (for Mr. Chrétien) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass.

Mr. Gordon Towers (Red Deer): Mr. Speaker, rather than speak on the bill at this time I would like to raise a point of order with you, sir, that I believe you have already said you would consider. In view of the fact that in my opinion this House should not be asked to deal with the bill in its present form at this time, with your permission, sir, I would like to return to the discussion that has taken place in the House on the bill. I would refer, first of all, to *Hansard* of April 21, 1977, at page 4844 where the hon. member for Moose Jaw (Mr. Neil) asked the following question of the minister:

Mr. Speaker, my question is for the Minister of State for Small Business. In view of the great concern that still exists amongst people in western Canada regarding the changes from acres to hectares and bushels to tonnes, as evidenced by the many letters that are being received by the western members, and I assume by the minister himself, and in view of the importance of cabinet solidarity, I wonder if the hon. minister has any intention of withdrawing the metric bill?

The Minister of State for Small Business (Mr. Marchand) answered:

Mr. Speaker, at this stage we have no intention of withdrawing the bill. I know that the Minister without Portfolio has some concerns. I will be listening to them because he knows very well what the farmers want.

The point I want to make is that the minister said he would be listening. Further to that, as reported at page 5226 of *Hansard* of May 3, 1977, the hon. member for Vegreville (Mr. Mazankowski) posed the same question:

● (1110)

Mr. Speaker, I should like to direct a question to the Minister of State (Small Business). In view of the acceleration of widespread protest emanating from the producers of western Canada against the conversion to metric in the grains industry, is the minister giving any consideration whatsoever to the various representations he and other members have received and has he now reached the conclusion that the producer organizations upon which he relied when considering this particular piece of legislation did not actually reflect the wishes of the producers in western Canada?

The reply of the minister was this:

Mr. Speaker, without accepting all the premises of the question, I want to say to the hon. member that I have been listening to the representations members made to me and the government, and particularly more recently to the representation made to me by the Minister without Portfolio from Crowfoot and ... other members of parliament on this side of the House from the prairie region. A decision has been made not to proclaim that section of the bill on metric conversion relating to the grains industry ... until after further consultation ... It will not be until further consultations have been held with the grain industry, and especially the farmers.

Then the hon. member for Vegreville said the following:

Can the minister outline to the House what form these consultations will take? What mechanism does the minister have in mind for ensuring that the views of the actual producers will be taken into consideration? Will he rely on the hon. member for Crowfoot, or will he consider as well representations made from my side of the House?

The minister replied:

Mr. Speaker, the exact mechanism has not yet been decided. I assure the hon. member opposite that I will be happy to receive suggestions from him on how he feels this matter ought to be dealt with.

Then as reported at page 5230 of *Hansard,* the hon. member for Grenville-Carleton (Mr. Baker) said:

Mr. Speaker, I rise on a point of order. It relates to the business of the House. It arises out of the incredible answer that was given by the Minister of State responsible for Small Business with respect to the government's plans for the metric conversion bill.

On the same day I made a representation to the Chair as follows:

Mr. Speaker, I rise on a point of order related to the one raised earlier by my House leader. It has to do with the metric bill. It really concerns me that the President of the Privy Council should suggest that the bill is going to pass third reading and that the Minister of State in charge of small business should tell us that it will not be proclaimed until such time as negotiations have been carried on with the business and agricultural communities. Does this mean that the House of Commons will become so irrelevant that after third reading hon. members will not have the opportunity to participate in these discussions? Does it mean there will be changes made between the time of third reading and the time at which the bill is proclaimed? This is an important point. I believe it arose during the question period. It is one with regard to which Your Honour will be called upon to rule in order to ensure that the House is not completely emasculated.

You, sir, said the following:

If the issue arises in the way the hon. member has described, there may be some judgment which I shall be called upon to make, and I will make it at that time.

The point I am trying to make is that if this bill leaves this place, it has to go to the other place to be proclaimed, but the Minister of State for Small Business (Mr. Marchand) has suggested that there are going to be some changes made, and if this happens the House of Commons will be totally emas-

culated. Further, I would like to refer to Beauchesne's citation 426 as follows:

> In order to give legal force to a bill, or, in other words, make it a statutory enactment, the following legal and constitutional conditions are imperative:
>
> (a) That the bill has passed through all its stages in both Houses and is consequently ready for the royal assent. If it should receive the assent of the Governor General and be afterwards discovered not to have passed its proper stages in both Houses or be otherwise not in conformity with the constitutional procedure governing such cases, it is so much waste paper.

I contend that this bill is not in proper form, in view of the statements made by the Minister of State for Small Business who has stated in this House that he intends to make changes to the bill after third reading. I contend that this cannot legitimately be done.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I simply point out to hon. members that this bill provides for quite a number of different possible proclamation times. Some clauses are to come into force immediately and a number of others are to come into force by proclamation. It is a somewhat unusual bill in the sense that the proclamation clause and the possibility of proclamation is repeated in relation to different parts of the bill. So it was contemplated that there might be different proclamation times. What the minister did was indicate a process we would follow before we actually proclaimed particular clauses. It is our intention and our hope to have a good number of clauses in force and in effect at a time which is orderly. Some are to be proclaimed immediately upon the coming into effect of the law. That is why it makes good sense to proceed with the bill at this time.

It is useful to recognize that hon. members opposite, in the debate, did not, as I took it, oppose the basic move toward metric conversion. Indeed, they supported it again and raised an amendment in relation to timing more than anything else. Of course, we will be giving that further consideration in the form of consultations before proceedings. But the bill is still very relevant and very important, and in those terms I think there is in no way an abuse of the House.

Mr. Speaker: This point is raised at this stage as we enter into further consideration of the third reading motion. I must say that on its face there is nothing extraordinary in the language of the clauses which have been referred to by the Minister of Transport (Mr. Lang). The fear that the bill might be changed in a period of delayed proclamation is one which I do not fully recognize, because I cannot visualize—at least, it is not clear to me—how the bill could be changed at any time except by amendment, once the bill is passed. Therefore, if such substantive changes to the bill are to be made, they would have to be made by amendments which would have to be introduced and put through all stages here as an amending bill, as would be the case with amendments to any other statute.

The decision on proclamation is not a new aspect of our procedure. As the Minister of Transport has pointed out, not very many bills have more than one proclamation clause; but it is quite ordinary that bills have the kind of clause which appears at the end of this bill at page 8, which reads as follows:

> This section shall come into force on a day to be fixed by proclamation.

That is not an extraordinary clause, by any means, and as I understand the fear of the hon. member, it is not that in a delayed proclamation of certain clauses there would not be time for consultation only on the subject of the date of the proclamation itself, but that those consultations might lead to suggested changes in the bill and that those changes might be made after the bill had been passed but before it was proclaimed, which somehow would be an affront to parliament. I cannot fully recognize that, because my understanding is that the motivation for this is to receive representations solely on the actual date of proclamation.

Again, the principle of metric conversion is not the problem, but the phasing in of metric conversion as it applies to different areas of the country is a matter upon which further consultation might be had. If, indeed, the hon. member is right and those consultations go to substantive matters, then it seems to me that we should know what they actually are. I am anticipating, and we are into hypothetical territory to a certain extent because without knowing exactly what suggested alterations there might be, and if they are in fact substantive changes to the legislation, it would be readily agreed that we would have to do that by amendments which would be brought before the House for consideration.

• (1120)

I do not know if I have alleviated the concerns of the hon. member. If there is a point that I have failed to recognize fully or have failed to deal with, I think it would be in order for the House to proceed at this time with third reading discussion.

Mr. Towers: I do not wish to belabour the point, Mr. Speaker, but perhaps I did not make myself clear. I am not so much concerned about the timing of the royal proclamation, as about the fact that changes will be made in this bill in relation to tons, hectares and bushels. The minister has stated that he is going back to the grains industry and the farmers to see what they want in this bill. The issue is that these changes be made, otherwise the bill will go through in its present form, which is not acceptable to much of the agricultural industry in western Canada.

As the Minister without Portfolio (Mr. Horner) said last night, we are dealing with the very culture of western Canada when we deal with acres. The land has been measured in acres and sections. This is what the minister is talking about when he goes back to the farmers and the grains industry. To my knowledge, there is no way that these substantive changes can be made in the bill after third reading and prior to the royal proclamation. It is an insult or an affront to this House to be asked to do this. I think the logical way to handle the bill would be to send it back to committee and have it divided.

Mr. Speaker: With respect, as I understand it, the hon. member is making a representation that he is entitled to make by way of amendment to the third reading motion and he

wants to bring the attention of the House to that. He expresses a point of view that is quite legitimate but, with respect, I do not think the point has procedural application. Whether it is wise to proceed at this time, whether it is a proper approach, whether it respects the point of view of western farmers in respect of a cultural heritage that is very dear to them, are all arguments that might be addressed for or against the bill or by amendments to the third reading motion, or, indeed, by amendments when the bill has had three readings and is in the Senate.

Those are valid considerations and arguments for or against the bill or an amendment to the motion for third reading. From a procedural point of view, however, I can only say, again, that the approach of a proclamation date that follows some time after three readings in both Houses is not an extraordinary procedural ramification. From a strictly procedural point of view, therefore, I do not see grounds upon which I can arrest progress of the discussion on the bill at this time.

The hon. member for Red Deer (Mr. Towers) has the floor on the substantive argument on the motion for third reading.

Mr. Towers: Mr. Speaker, I wonder if I could have your permission for the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) to lead off debate. I could be recognized later as a speaker on third reading.

Mr. Speaker: As I understand the situation, the hon. member for Red Deer had the floor, having been recognized, but had not started to speak. If that is so, I am sure the House would have no objection if the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) were called now and the hon. member for Red Deer were called later in the debate.

Some hon. Members: Agreed.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think Bill C-23 is supported in general principle by all parties in the House. It is really an example of how not to put legislation through that affects the culture of the people. I do not want to belabour that point, but it is my intention to put forward an amendment to try to get the subject back on the rails and, hopefully, to get the support of all members of the House so that conversion to the metric system can go forward in a sensible, democratic way.

When the resolution regarding the metric system was brought in, we in the official opposition asked that legislation be introduced so that we would know what we were doing, where the responsibility lay and what compensation would be made to the people who were going to be forced to suffer in an economic sense as a result of the legislation. When the legislation was introduced before the Christmas recess a protest was raised by the hon. member for Red Deer (Mr. Towers). That was the last we heard of this bill until January 26, when we were suddenly informed that it had to be passed very quickly because it was to take effect five days later, on February 1, 1977.

At that time I asked in the House the reason for this obscene haste, and suggested that if the government wanted to get the bill through, they would at least have to agree to taking the word "hectares" out, first, because it was not necessary and, second, because farmers all across Canada, not just in western Canada, would be opposed to it. I understood that the government thought well of the idea, which was supported by the hon. member for Yorkton-Melville (Mr. Nystrom) of the New Democratic Party. We agreed to drop debate at that stage and let the bill go to committee.

When we got to committee, farm leaders and union representatives took the very strong position that we had to put the bill through immediately because they had spent a lot of money converting the scales and papers and it would cost more money to go back to the original position. This annoyed members of Her Majesty's Loyal Opposition, at least, because they knew this was not the view of farmers on the prairies. To repeat, on behalf of this party I said we would go out and share with the government in the explanation and try to persuade people that in the national interest we had to accept the concept of working in an international community that would use this international system. Because of our opposition in committee the matter came to the attention of people in the west, and now literally 95 per cent of farmers on the prairies are opposed to this metric conversion.

Some farmers are opposed to the whole thing and some are only opposed to the land measurements. The government has said that land measurement is a provincial matter. That is true, but it was a federal agency, the metric commission, that went to the provinces and got Alberta, Ontario and Saskatchewan to agree to conversion to the metric system in regard to land. In the case of Ontario, it was permissive legislation. In the United States it is also permissive legislation. No person in the United States, whether he is a farmer in the Spanish surveyed lands of Southern California, the French surveyed lands of Louisiana, or the imperial system of most of the United States has to convert his land measurement unless it is to his economic advantage to do so.

In the case of Alberta, the legislation was changed, but never proclaimed. In the case of Saskatchewan, after the legislature adjourned last year, distracted by a big debate on the potash takeover, it was put through by order in council.

● (1130)

The great majority of the people of Saskatchewan living in our cities, towns and on farms do not know this change has been made. The person who has bought a group of lots, say in the town of Kamsack or a farm north of Runnymede, will find he cannot register that new ownership unless he gets the land surveyed in the metric system, according to Saskatchewan regulations coming under the land titles act. This means that the farmer or person buying the land is forced to hire a surveyor. We have not had much to do with surveyors in the last 70 or 80 years, having nearly always accepted the original surveys.

If you live in an area which is predominantly forest or bush, a survey is expensive and takes a long time. This requirement will create economic loss and eventually will make people resent tremendously attempts at metric conversion. Clearly, the provincial government blundered. It made people feel that governments do not care about people's feelings, that they will not consult people. In years to come this will be the root of tremendous antagonism. True, farmers think this is being done by the federal government, not the Saskatchewan government. The difficulty can be resolved if the minister does what he said on May 3. Answering the hon. member for Vegreville (Mr. Mazankowski), the Minister of State for Small Business (Mr. Marchand) said, as reported in *Hansard* for May 3, page 5226:

A decision has been made not to proclaim that section of the bill on metric conversion relating to the grain industry—

That comment concerns five statutes coming under this bill. He continued that remark by saying it would not be done "until after further consultation." He finished that part of his answer with these words:

It will not be until further consultations have been held with the grain industry, and especially the farmers.

That is a promise and a threat. In saying all this, I am thinking more of the farmers than of the heads of the grain industry who have spent several hundred thousand dollars converting their equipment and could use the new system immediately if it suits their operations. Members of parliament should think more of the plight of the farmers, because they make up 99 per cent of the people in the grain industry who could be adversely affected. We cannot consider the vested interests of the grain companies, companies which showed bad judgment in believing the representatives of the federal government who told them this law would be in force by February 1, 1977.

We do not want to harm the grain companies. At the same time, we should not proceed with metric conversion until we have removed some of the obstacles I have mentioned. One such obstacle or difficulty is the attack on the land measurement system. Mr. Speaker, we are not selling our lands on world markets. As the hon. member for Vegreville said, our land measurement system has its roots in antiquity and is part of our culture. If you think our western farmers are annoyed, just wait for the reaction of farmers in Ontario and Quebec where they use various systems of land measurement. In Quebec they measure land in the arpent and the acre. In Ontario they use many different systems of surveying. For instance, boundaries are described as running from this boulder to that oak tree, or to that bend in the river. They use leaps and bounds and jumps, and almost every measurement of which you can think.

From time to time in Ontario and rural Quebec townships set up what are known as fence viewing committees which are composed of leading citizens who settle boundary disputes between farmers. If you force the people of Ontario and Quebec to accept the metric system for measuring land not sold on world markets you will create an economic storm and eventually a political storm.

Not all metric measurements are to endure internationally. The pamphlet "The international system of units (SI), an outline of Canadian usage", published by the Canadian Standards Association, points out that seven units of metric measurement will be used a limited time only. Included among them are the nautical mile, the knot, a unit of speed measurement used at sea and in the air, the angström, the pronunciation of which escapes me but which ought to be printed in *Hansard*, the hectare and the are. A side note accompanying the table to which I referred reads: Although the are and hectare, by international agreement, have been shown as units to be used for a limited period of time, those units are not to be permanent parts of the international system of measurement.

What does this mean? It means that although the hectare will not be used internationally as a unit of measurement, we shall enforce it on our farmers, create a great political uproar for no reason, and force farmers to take an economic loss in connection with a measurement system nobody else will be using. As I told the minister privately, when he keeps the promise he made on May 3 he should tell officials of Saskatchewan, Alberta and other provinces contemplating metric conversion that the hectare is not to be a permanent unit of measurement. Therefore, we should do in Canada what is done in the United Kingdom and the United States. We should adhere to our traditional arpent or acre. True, final responsibility in this field rests on the provinces, not on the federal government. However, we must let the provincial governments working on metric conversion know that the hectare, part of the present metric system, will not be part of the international metric system in future.

In a moment I shall move an amendment which will bring this debate back on the rails, as it were. My proposed amendment will be consistent with the minister's promise. I say he ought to consult the farmers. We are not so greatly concerned about the heads of grain companies, and by grain companies I mean private as well as co-operative companies which are interested mainly in profit. Their interest in the farmer is secondary. We members of this federal parliament should bear in mind what is good for our farmers, their costs, their political feelings, and try to influence the provinces to eliminate hectares from provincial legislation and provincial orders in council.

• (1140)

It would give the minister time, without wasting the time of parliament in useless debate. When we proposed, in committee, amendments to make the clauses dealing with the grain industry permissive, the Liberal members of the committee turned them down. Naturally, if we are going to vote party or partisan on this issue we have to realize that they can force it through. However, they force us to fight like tigers to stop them. If the government really wants to get this metric conversion back on the path again, it should co-operate in trying to do it properly. The grain companies do not want the govern-

ment to proclaim the legislation until the slack season in the fall, any way. I ask that we take some time in the summer and the fall to get to the farmers directly and use the occasion to explain the advantages of the metric system.

Mr. Mazankowski: Use it to call an election.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Be honest about the difficulties. Guarantee the farmers that you are not going to ask them to change the land measurement system. If the government did this, we would all take part in trying to persuade people. After several years we would get used to using tonnes instead of bushels. It would not hurt too much; it would be a mental exercise. We would have great difficulty persuading the farmers who use very accurate measurements in the spraying of their fields and use ounces per acre, the precise amount, the precise pressure and the precise speed in putting on that spray. If he does not do it accurately, he loses his crop and his whole year's living. If you shift him into millilitres per hectare, he has to do this calculation in the fields without the quiet serenity of an office with a calculator. He might make mistakes and he would have a tremendous economic loss.

All these jobs of persuasion and education at the face to face level have to be done, and the politicians should play a part. If the procedure of consultation is not followed in getting them persuaded, willingingly or at least half willingly, we are in for a terrific fight. What we in the opposition want to do is make sure that the government does not use its majority to force through legislation which, in the minds of the people, was not properly prepared. That is our purpose.

There is one thing we will not accept. That is the land measurement. It is not needed. It is uneconomic. It will raise a political storm that will add one more factor to the divisions in this country and the alienation of people toward this parliament and this government. I move, seconded by the hon. member for Red Deer:

That all the word after "That" be struck out and following substituted therefor:

"Bill C-23, an act to facilitate conversion to the metric system of measurement, be not now read a third time, but that it be referred back to the Standing Committee on Finance, Trade and Economic Affairs for the purpose of reconsidering clauses 2, 6, 8 and 10 in the light of further evidence which may be heard from the grain industry, and especially the farmers."

That, in essence, is putting the minister's promise into the legislation. I conclude by pointing out as stronly as I can that this is not a matter of life and death to the nation. It was primarily an effort to assist international companies which buy and sell on world markets to work in units acceptable to the whole world. It was to increase our productivity and efficiency as part of the whole of business. I do not think it was ever designed to be an effort to attack the cultural attachments of people which go back into the centuries.

In spite of what I have been told by farmers and people in my constituency about their opposition to the use of tonnes and millilitres instead of ounces, I am prepared to go out and say that in the long run it will be simpler and better, and if they are careful and do not make mistakes they can learn it. Certainly, their children will have an easier system to work with than the Imperial system.

I think I speak for a good many people on that issue. However, I know that the antagonism toward myself and others who take that stand will be pronounced. This government has stirred the people up on this issue to such a degree that it is very difficult to talk rationally. That is because of the government's mishandling of this matter. The government did not accept my proposal during second reading debate to take out the word "hectare". They did not accept our seven or eight amendments in committee. They turned them down, with every member of the Liberal party voting against them. In spite of all this, I hope they will consider and accept this hoist until the minister completes what he has promised to do and then brings back the legislation. With the views of the farmers we can then push it forward to the degree that they will let us.

Do not force this system on the farmers. It will not help the country. We have always sold our grain on the metric system. For a hundred years we have used the system, but we have never bothered the elevator man or the man at the farm gate. Now we are asking him to be bothered, in the name of economic unity. Let us get this matter back on the rails again. All parties support the principle. Let us have all parties support the conversion, instead of trying to ram it through. My views are well known. If you turn things over to a certain type of civil servant, he is trained in only one thing, that is, to have everything minutely complete and in place. Civil servants want everything neat and tidy. Sometimes that causes those of us in the political field a lot of trouble. If the politicians did their job and spoke for the people, we could get this back on the rails.

There is a further matter. The government has welcomed into its midst a leading opponent of the metric system. Everyone across the west knows that if metric conversion is not stopped, it is evidence he has no weight in the cabinet, and he is destroyed. Maybe that is the purpose of the Prime Minister (Mr. Trudeau); I do not know. But I do know the politics of western Canada. If the hon. member for Crowfoot (Mr. Horner) cannot stop this metric conversion, they say the whole purpose of his entering the cabinet is nullified and all this talk about getting leading citizens in western Canada to join the Liberal Party dies because there is no trust in the implied promise of the Prime Minister to the hon. member for Crowfoot at the time of his appointment.

• (1150)

This is a critical matter, it is an economic matter and a matter of plain common sense.

Mr. Baker (Grenville-Carleton): As well as a matter of conscience.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Since the government has made this mistake in the handling of the matter, for heaven's sake let it consider this amendment seriously, accept it in the House, stop the debate and get on to other business.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order. I hope the House will allow me to consider the amendment. The first part corresponds to the normal practice of asking that a bill be referred back to committee, with a special instruction to reconsider certain clauses. What concerns me are other conditions attached to the amendment: I am not sure they meet the requirements of a third reading amendment. If the House agrees, I will recognize the hon. member for Moose Jaw (Mr. Neil) and put the amendment, if need be, at a later time.

Some hon. Members: Agreed.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, it was my intention to speak in support of the amendment of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I was very optimistic back on May 3 when the minister who is piloting this bill through the House indicated that he intended to have further consultation with interested parties. As recorded at page 5227 of *Hansard*, he said:

> The mechanism has not been decided. I assure the hon. member I shall be happy to receive suggestions from him as to how he feels this matter ought to be dealt with.

Our party's recommendation has gone forward to the minister. It is incorporated in the amendment proposed a few moments ago by my hon. friend, namely, that certain clauses of the bill be referred back to committee for consideration. Frankly, I can see no other way in which consultation can take place with the grain companies and with the farmers in the west. The farmers are extremely upset about this bill. The hon. member for Qu'Appelle-Moose Mountain said that in his opinion 95 per cent of the farm population was opposed to it, specifically to the change from bushels to tonnes and from acres to hectares.

I would agree with that figure, because of all the letters I have received on the subject—and I have received many—I think only one of them indicates support for the bill. If one reads the western press, the *Western Producer* and some of the other papers, one finds that week after week, month after month, contributors have been sending letter after letter to the editors opposing the metric system as it relates to the farm. Initially, members opposite said that the majority of the farm population was in favour of the bill. I recall the hon. member for Assiniboia (Mr. Goodale) saying that all his farmers were in favour—

Mr. Goodale: I said "farm organizations".

Mr. Neil: I would have to look up *Hansard* and reread what the hon. member said, but my recollection is that he said "the majority of my farmers". It makes sense to me, if there is such a backlash, that a committee of the House of Commons should reconsider the matter. After all, that is the logical forum to hear evidence from the interested parties. If the minister would look back through the committee hearings held in Ottawa when the bill was before the finance committee, he would find it was the farm organizations and the grain trade which were represented. The only two individuals who attended representing the farmer were from the Association of Rural Municipalities and the Association of Urban Municipalities, and their reading was that the majority of the farmers were opposed to this bill.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

If the clauses to which objection is taken are not referred back to the committee for consideration, what other procedure could be followed? Does the minister feel he could send around western Canada a group from the metric conversion committee to meet with the farmers? I suggest that if he did that he would be sending out a group of biased individuals who have only one thought in mind, and that is to force their point of view upon the farmers. I presume that Mr. Earl Baxter might be a member of such a group. It was with interest that I read a news report in the *Western Producer* of May 26 about a meeting held in Winnipeg at which Mr. Baxter was present. An account in that paper of an interview with him reads in part as follows:

> He said in an interview the $300,000 figure is what industry spokesmen estimate they have spent preparing for the metric conversion they thought would happen last February 1.

Later in the report Mr. Baxter is quoted as saying that in his view the legislation should have been introduced early. He said:

> I don't know why the government decided to wait so long with it.

That is the attitude of the civil servants. He says that politicians in Ottawa are playing politics. I should like to point out that we on this side are not playing politics. What we are doing is attempting to express the views of 90 per cent of our constituents. We are speaking here in the House of Commons on behalf of our constituents. If the members on the government side read the correspondence they are getting from the farmers of western Canada, they will understand that the farmers do not accept this bill. Mr. Baxter will probably be one of those appointed, if the amendment is not accepted, to go out to western Canada to meet the farmers. But he is biased. He has made up his mind. He is accusing parliamentarians of playing politics. He does not understand the democratic system. To say that because members of parliament debate a bill they are playing politics is a disgraceful statement for a member of the civil service of this country to make.

● (1200)

I will not prolong my remarks, Mr. Speaker, but I do want to say this. An attempt has been made by people such as Mr. Baxter and some members of the grain trade to give the impression that because this bill has not been passed it has cost the grain trade and the grain companies money. For many years we have sold grain on the international market using the metric system. The minister in charge of the Wheat Board, during the time that the bill was before the committee and subsequent to the amendments put forth by this party asking for a dual system, issued a news release, a copy of which I have before me. It is undated, but basically it states that the minister has instructed the board to use a dual system for permit books and quotas when making announcements, and in every other facet of the trade. Those instructions were issued

without legislation having to be passed. As a matter of fact, Mr. Speaker, if you talk to a farmer or you visit an elevator and examine a permit book which was issued last fall, several months before this legislation was introduced in the House, you would find that the permit book records the size of fields in both acres and hectares. Obviously, the minister did not feel that it required legislation to make that change in the Wheat Board documents. As I say, this release was issued after the bill went to committee, but before it had passed.

I should like to tell the grain companies that it does not require any legislation for them to record and to deal with grain in the metric system from the elevator to the point of export. There is no law preventing use of the metric system. When a farmer delivers his load of grain to the elevator, it is a simple matter for the elevator agent to issue a cash purchase ticket or a storage ticket in both bushels and tonnes. That is perfectly legitimate. From that point on the grain company can do all its recording in the metric system. So when news announcements and public statements are made to the effect that the delay in the passage of this bill has prevented the grain trade from converting to the metric system and has cost them money, that is a pack of nonsense, Mr. Speaker.

I want to close by addressing some remarks to the minister. I am sure that the volume of correspondence which he has received from farmers, as well as the representations made to him by members on this side of the House, are an indication to him that the western farmer is not prepared to accept this bill, particularly the change from acres to hectares. In fairness—I know the minister is fair—I am sure he will accept the motion presented a few moments ago by the hon. member for Qu'Appelle-Moose Mountain to enable the finance committee to hear representations from the farmers to confirm what their letters have said and what we on this side of the House have told the minister. Indeed, I do not think the matter needs confirmation; the minister has himself received sufficient letters on the subject, and possibly the Minister without Portfolio (Mr. Horner) has put to him very strongly the feelings of the western farmers.

This is not a political matter, Mr. Speaker, but a matter that affects every farmer in western Canada and, indirectly, every owner or potential owner of land in Canada. I ask the House to set politics aside, to accept this amendment, to refer the bill back to committee and to let us for once bring forth legislation which the majority of the people of Canada want.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I am compelled to speak on this piece of legislation once again, first of all to support the amendment moved by my good friend and colleague for Qu'Appelle-Moose Mountain (Mr. Hamilton). I hope Your Honour will, in your deliberations, see fit to find the amendment in order. I think it is fair to say that, if there is some slight modification of wording required, this would be quite acceptable in order that we may implement the principal purpose of the motion.

I am also compelled to rise and speak to this legislation once again in view of the statements of the minister in the House since this bill has moved into third reading. The minister indicated that he has some slight reservations about certain sections of the legislation, sections which, I might add, we in this party have vigorously opposed on behalf of the farmers of western Canada. The minister has also said he is receptive to suggestions from the opposition regarding how he might engage in those consultations which he spoke of when he answered my question in the House on May 3. If I may quote precisely what the minister said, I had asked him what mechanism he had in mind for ensuring that the views of the producers would be taken into consideration, and as reported at page 5227 of *Hansard* he replied:

—the exact mechanism has not yet been decided. I assure the hon. member opposite that I will be happy to receive suggestions from him on how he feels this matter ought to be dealt with.

● (1210)

The amendment we have proposed really answers that request. We have taken a position wherein we presented to the minister a mechanism in which he may be able to engage in the consultations he referred to. I hope the minister will not rely upon the members of the metric commission, the bureaucrats, to engage in the kind of consultation he refers to with western producers. As the hon. member for Moose Jaw (Mr. Neil) pointed out, these people have a rather biased and bent view on this particular issue. The farmers of western Canada would rather be dealing with elected representatives than paid representatives of the metric commission.

My second purpose in rising to speak on this legislation once again is the fact that the opposition to the provisions we have fought has not lessened. In fact, it has intensified. We have received countless numbers of letters and representations from producers who are concerned and who want to retain, particularly, the acre. They see absolutely no justification for changing the acre to hectare. Quite frankly, they do not see much reason in changing from bushels to tonnes, but the feeling is not quite as strong as it is in the case of acres to hectares. The farmers do not sell their land in the international market, and it will not make one iota of difference as to the amount of grain we sell. It will not involve any greater or lesser convenience or inconvenience on the part of the grain trade whether the producer is producing his grain by acres or hectares. It does make a tremendous amount of difference to the producers.

The opposition is widespread. While there was a growing amount of support for the whole question of metric conversion in western Canada because of the attitude of the government in this particular issue the support for a total metric conversion program has somewhat diminished. I am in the process of conducting a survey on a number of important issues in my riding. These are issues which affect the people in my riding. I have asked the question whether or not they favour the metric conversion system as a whole. Over 65 per cent said no. On the question of the conversion of acres to hectares, 74.3 per cent are opposed to the conversion, and 69 per cent are opposed to the conversion from bushels to tonnes.

I do not apologize for recording my constituents' feelings in this chamber. For anyone to suggest we are playing politics

when we are telegraphing the feelings of our constituents is absolute and utter nonsense. I know the hon. member for Gloucester (Mr. Breau) speaks on behalf of his constituents. He is quite outspoken at times on certain issues, even if it means he has to take a position contrary to that of the government. I see no reason for him to engage in the sort of triviality that he engaged in during the crossfire which took place earlier.

Mr. Deputy Speaker: Order, please. The hon. member for Gloucester (Mr. Breau) on a point of order.

Mr. Breau: Mr. Speaker, I am not sure whether this is a question of privilege or a point of order. The hon. member should not have the impression, because of an interjection on my part, that I was suggesting hon. members on the opposite side were playing politics with this bill. The hon. member mentioned that a public servant had said that and I actually said that it was a terrible thing to say. The hon. member smiled when I said that, and I smiled back. I did not say hon. members opposite were playing politics with this bill.

Mr. Goodale: *Hansard* should record the smile.

Mr. Mazankowski: Mr. Speaker, I should point out that the hon. member is still a gentleman. I certainly appreciate the fact that he has clarified that issue.

Some hon. Members: Hear, hear!

Mr. Mazankowski: This legislation has been referred to as metric conversion. It would be more fashionable to refer to it as metric coercion. We have a situation in which the process of conversion has taken place without legislation. That is unfortunate. This is what has confused many people affected by the process of conversion. Many people in the grain trade, particularly elevator agents and producers, can see no reason for proceeding with such indecent haste with conversion in the grain industry when our major trading partner to the south was not embarking thereon in tandem.

As reported in the Friday, June 3, 1977, edition of the *Globe and Mail*, Mr. MacMillan, chairman of the Canada Grains Council, said the following:

> Businesswise, there were no advantages for the grain industry to change to metric—it was just an expense item. We have many of our transactions with the United States where they are still dealing in bushels. But the government pushed us into the new system ahead of the U.S. and then backed away so easily. This was very disappointing and it has left feelings running high in western Canada.

That has been the thrust of our argument all along. I have it on absolute authority that the United States is not going to proceed with the conversion of the acre to the hectare. The bill was presented as a fait accompli. There was an attempt to rush the bill through, as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out. The minister tried to push this bill through on December 21. The fact of the matter is that we know this particular piece of legislation was drafted in February, 1976. It was not introduced in the House of Commons for first reading until November 22, and then it was called for debate and second reading on December 21 late in the evening. There was a request to sit extended hours in order to pass the bill through all stages, but many of us had comments to make on the measure. It did not appear again until January 26. The legislation was to become law on February 1. That was not sufficient time adequately to explore all the implications of this particular piece of legislation.

The government, and indeed this parliament, has not served the best interests of the farmers of Canada in this piece of legislation. Farm organizations have not served their memberships well. A vast majority of the producers in western Canada do not support the major provisions of this bill, namely, metric conversion in respect of the grain trade. Thus, their wishes have been ignored. In short, I should like to say, on the part of the producers, that they have been ignored by the government and, their own organizations, and parliament has been unable to alter the direction in which the government is proceeding on this measure. There is a feeling of mistrust and disappointment in the minds of the producers of western Canada simply because they have been ignored. It is in that connection we see diminishing confidence in this institution. Many times people who are being affected by legislation are not listened to and their views are not taken into consideration. This is causing tremendous erosion of public confidence in this place. Surely it is the duty of members who are elected to the House to reflect the views of their constituents. That is what we are doing on this occasion.

● (1220)

As I have pointed out, the farm organizations, in my opinion, have not served the best interests of the producers of western Canada, and I regret that. In a weekly paper entitled *Alberta Farm Life* of Saturday, March 5, the Unifarm organization was seeking direction from Alberta farmers in an effort to assess the impact of metric conversion on the agricultural industry. This bill was supposed to have been law on February 1. This clearly shows that they did not engage in any real and active consultation with their membership prior to its intended implementation. I could quote letters that I have received from a number of farm unions and grain company locals. For example, I have a letter here from Two Hills district Unifarm No. 65-42 which reads:

> At this convention one resolution was made and passed unanimously. As secretary I was asked to pass this resolution on to you. The resolution reads as follows:
>
> "We are opposed to the metric system, especially pertaining to agricultural production. We would like the bushel, acre, and the mile retained.
>
> Yours truly,
>
> Ed. Sokalski

I have another letter here from the Unifarm district No. 64-22 which reads:

> It was brought to our attention that you are not in favour of adopting the metric system in the grain trades. I am writing to you on behalf of local and neighbouring farmers that we full-heartedly support your stance in that respect. We believe that adoption of the metric system will do nothing more than cause great and agonizing confusion to the agricultural industry and even more so to farmers in general.

I have a letter here from a local of the United Grain Growers which reads:

At the 1977 annual meeting of Kitscoty UGG local a motion was passed that we are against the metric conversion and that we write you and Mr. Runciman in this regard.

Yours truly,

Ernest Lang

Another member of the National Farmers' Union, in a letter to the editor in the Two Hills *County Star* of Wednesday, February 9, 1977, had this to say:

The acre, the bushel, the mile, is Canada's culture, it is Canada's way of life, it is just as important to Canada as bilingualism, let us keep it that way.

Metro Shepansky

He went on to say:

There isn't one farmer in the country who wants to convert to metric, or was asked if he wants to go metric. The metric conversion is just being shoved down his throat. The railways do not want it and will not accept it now. The elevator scale beams which are in pounds, have not been replaced by metric scale beams, and may never be replaced in some elevators. A farmer brings a load of grain to the elevator which is weighed in pounds, then has it converted to tonnes, which is 2204.622 lbs. or 1000 kilograms in order to get paid, the elevator agent has to convert it back to pounds when he loads cars because the railways are not going into metric conversion.

There will be much confusion and distrust, because people do not know the metric system. Why not leave the farmer continue to use "acres", "bushels", and "miles"?

The County of Vermilion River, supported unanimously by the council, sent a wire to me which I want to place on the record. It reads:

Please be advised of the passage of the following resolution by the council of the county Vermilion River No. 24 at a meeting held on February 10, 1977:

Whereas the producers of cereal crops in western Canada have not been consulted to a sufficient degree and thus have not been enabled to express constructive views on the subject of the advisability of converting from the "acre" to the "hectare" in describing the area of prairie farmland;

And whereas the system of describing the area of the vast stetches of farmland in the prairie region of western Canada is somewhat unique, easily understood by those in and being trained for the agricultural industry and is wholly satisfactory to them;

And whereas the definition of an "acre" as used in western Canadian agriculture has no effect on either international suppliers to the industry or the customers for its product;

And whereas the complexity of the industry is so great the balance between the application rates for chemicals commonly used in the industry and the successful production of cereal grains is critical, the penalty for mistakes so great in the loss of food production for an entire twelve months period and the effect of such loss on world population so drastic that human manipulations not even remotely associated with food production should not be permitted to jeopardize the output of even one tonne of grain;

Now therefore be it resolved that the council of the county of Vermilion No. 24 expresses in a most emphatic and sincere manner its opposition to the implementation of the program to convert the "acre" to the "hectare" in describing the area of agricultural land in the prairie region of western Canada.

We have received countless numbers of representations from individuals, from farm union locals, from counties and municipalities. From the amendment that was placed before the House this morning by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) it can be clearly seen that we in this party have adopted a practical and reasonable approach to this problem. Quite frankly, I think it is no surprise to members on the other side of the House that we sincerely want to see the acre retained and we see aboslutely no reason for the conversion of the acre to the hectare under the provisions of this legislation.

I might say that I detected some support on the Liberal side during the committee meetings, particularly among urban members. I think some of them were sincerely trying to work out a reasonable solution, but unfortunately farm organizations lost touch with their own supporters, their own memberships and the agricultural community and came out very strongly in favour of the conversion process. However, I think they have now found that they have not reflected the views of the producers, those who will be affected.

We have heard in this debate much about the importance of adopting a pure metric system. We all know that other countries too, are engaged in the conversion process, some of them with a greater or lesser degree of success. But it should be noted that in Great Britain, because of the difficulty they have had in selling the metric conversion program, they have adopted a flexibility that is necessary in order to sell the program. In the *Sunday Telegraph* of November 7, in an article entitled "Metrication Muzzled and Delayed" we are told:

—a number of changes have been made to the bill as it fought its way through House committees. In order to ensure its progress, the British government has conceded one major point: It has agreed that the mile, the inch, the pint and the gallon will be preserved and exempted from statutory metrication.

I think it is fair to say that other countries have adopted a similar stance. We hear from the minister about the progress that is being made in the United States. I am not sure that they will adopt a totally pure metric system either. In a letter that I have received from Congressman Don Fuqua, dated February 7, 1977, he said:

In neither of these cases has it been found advantageous to switch to the English system in the past, and there are not now any plans to switch those measurements or any land measurements elsewhere in the United States to metric measurements.

He was referring to the land system measurement in Louisiana which still employs the French system, and to the California land measure which employs the Spanish system. He indicated that even at this point in time there has not been total acceptance of the Imperial measurement in that great country. The letter is written on stationery of the committee on science and technology of the U.S. House of Representatives. He goes on to say:

In regard to possible changeover to the metric system by the board of trade in Chicago, and the possible effect on grain and other commodity trades, there are, to the best of my knowledge, no plans in existence at this time for a changeover.

● (1230)

There has been a fair amount of debate about final payments and the pricing structure of the Canadian Wheat Board. Forrest Hetland, one of the commissioners, said that his best advice to farmers is that if they want to know price trends, they should follow the price card of the Canadian Wheat Board and the prices set on the Chicago, Kansas and Minneapolis futures markets; that the futures markets are guides for world prices of wheat, and that reality forces the board's prices to bear a close relationship to these prices. What he was really doing was this: while we are transferring to the metric system of measurement and pricing, he was asking farmers to compare prices here with prices in the United States which is going to maintain the Imperial system. What a bunch of

nonsense and confusion! It is unnecessary. If we are going to make the changeover, I think it is important that we be co-ordinated and synchronized with our major trading partners. The government has completely and totally ignored that.

I could quote many more letters. Before I conclude I must say that I take exception to a document called "Metric Monitor". Its reporting of the proceedings of the standing committee were certainly biased and slanted with one view in mind. It recorded every point of view which was in support of metric conversion. It certainly did not give a balanced reporting of the opposition point of view and the point of view of other hon. members who expressed reservations. Everything in the "Metric Monitor" is totally biased and I think it is unfair that we as taxpayers are paying for it. The "Metric Monitor" has not given the Canadian people an accurate reflection of the proceedings in the committee which considered this bill. I think that is very unfortunate.

That is the kind of thing we will have if the minister allows bureaucrats to engage in this kind of consultative process. The minister says he wants consultation. We have provided an avenue so that he may proceed that way. We believe the consultation should be with elected members of parliament, and not with bureaucrats. We believe the committee should travel and that it should hear any and all available evidence. Any producer or any group should be able to come before that committee and make his or their position known. Then, and only then, will the minister have a clear record of the views of the grassroots producers, those who will be affected by this legislation.

Mr. Deputy Speaker: Order, please. Before I call on the hon. member for Wetaskiwin (Mr. Schellenberger) I would like to make my decision on the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

I still feel that I should resist the amendment in its present form. The latter part of the amendment limits the instruction to the committee. The hon. member proposes that this bill be referred back to the committee for the purpose of reconsidering clauses 2, 6, 8 and 10 in the light of further evidence. It is that portion which worries me a little.

I am not very satisfied with the precedents I have found, but in recent years, on occasions like this, the Chair has had the tendency to resist this kind of limiting instruction. I do not think it renders a service to the committee to suggest that it get the bill back for the purpose of hearing evidence only from the grain industry and especially farmers. This might leave the impression with the committee that other witnesses might not be welcome or might not be included in the instructions of the House. Without really having good precedents to back up my decision, that alone should be a good reason for it.

Citation 418 of Beauchesne's says, in effect, that there are things we can do more easily at second reading than at third reading. That does not really touch on this point particularly, but it might be worth while to read the citation to the House. It is found at page 288 of Beauchesne's. Beginning on the sixth line, the citation reads as follows:

> On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges. This cannot be done on the third reading because it is not directly connected with any provision of the bill.

That does not really go to the point I want to make, but I feel that the way the amendment is worded it is half a recommittal amendment and half a reasoned amendment. I find it difficult to accept that in the same amendment. We perhaps tend, by this limitation, to indicate a reason why we tend to support a motion to prevent the third reading of a bill by implying that it might not correspond with the wishes of a special group of people, the grain industry or farmers, and I would consider that more on the side of a reasoned amendment.

This amendment would refer the bill back to the committee with a specific instruction to reconsider clauses 2, 6 and 8, and 10, and there is also a limitation. The hon. member for Vegreville (Mr. Mazankowski) at the outset of his remarks indicated that hon. members who support the amendment might accept the suggestion of the Chair to modify it, with the unanimous consent of the House, by eliminating all the words after "and 10", which does not preclude any hon. member speaking in favour of the amendment from saying whatever he wishes and repeating what has been taken out of the amendment.

If it is satisfactory to the hon. member for Qu'Appelle-Moose Mountain and to the hon. member for Red Deer (Mr. Towers), and if there is unanimous consent, I would be prepared to accept the amendment in this limited form.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Thank you very much, Mr. Speaker, for your ruling. We are quite prepared to cut off my amendment after the number 10, but I wonder if the Chair would object to putting in the word "thereof", following the pattern of a precedent on January 26, 1976. Whatever the word "thereof" means, it seems to make the motion sound very good.

Mr. Knowles (Winnipeg North Centre): We agree thereto.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion as amended?

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I thought for a minute that the minister was going to agree to the amendment, but then I saw him ready to jump to his feet. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) was speaking, I could see that he was capturing the heart of the minister. It was a tremendous speech which outlined the opinions and wishes of farmers in western Canada.

● (1240)

During second reading of the bill I was amazed that the minister did not accept the reasoned amendments of the hon. member for Moose Jaw (Mr. Neil) who suggested that because conversion to the metric system is a painful process there should be a dual system for a period to allow the western farmer to get used to metric. We already have cans and boxes labelled in two languages, so it would not seem much of a problem to have them labelled in two forms of measurement as well until farmers converted to the metric system. The government's rejection of that suggestion reflected its inflexible approach to conversion. We hope they will look more seriously at the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain.

The minister decided that rather than accept the amendments, certain clauses of the bill would not be proclaimed until the farmers had been consulted again. I see this as an admission that the metric commission did not consult all the farmers of western Canada in the first instance, but accepted the views of a few farm leaders as being the general view. The hon. member for Vegreville (Mr. Mazankowski) mentioned that he felt the farm organizations had not represented the wishes of their memberships in the way they should, and now the farmers are approaching those organizations saying they are opposed to metric conversion and that the organizations misrepresented them. The only option left to us was to have the hon. member for Qu'Appelle-Moose Mountain move an amendment to have clauses 2, 6, 8 and 10 reinstated in the bill so that farmers and farm organizations can be called before the committee again to ensure there is adequate consultation with the people affected.

We should not be asked to accept the promise of the Minister of State for Small Business (Mr. Marchand) that parts of the bill will not be proclaimed if we pass it. I think that is a lot to ask. The need for consultation is very clear. It became evident during committee hearings that the government had done little to ascertain the feelings of producer groups, despite the fact that the mandate of the metric commission in the first instance stated that the benefits of conversion to the metric system should be achieved at minimal cost and, second, that conversion to the metric system as a whole should be effected to the best advantage to Canada. It has been stated very clearly today that we have no objection to conversion as far as international trade is concerned. Many companies in this country and the United States have already converted. There seems to be no advantage to Canada to convert the acre and the mile, however, as these are part of our culture and the system we grew up with.

Consultation should not consist of *post facto* information sessions wherein the government instructs farmers on the benefits of metrication. Consultation is, by definition, a two-way process—a give and take dialogue whereby mutually acceptable solutions are arrived at. I do not think the government has the slightest intention of establishing this kind of constructive dialogue.

The government continually turned a deaf ear to any arguments for duality made by members in committee. The minister's recent commitment to meet groups which will be affected by any Wheat Board changes obliges him at least to listen to the arguments in favour of retaining the terms "acre" and "bushel". I think he will be astounded at the intensity of feeling in the prairies and the intensity of the argument western farmers will offer for retention of these two terms.

I should like to offer the government a taste of some of the reactions I have received from farmers in my constituency concerning the change to the metric system. Recently I sent a questionnaire to constituents and received a large return, chiefly from rural areas. The following comments were pretty standard: "Poor idea and too costly, conditions being such as they are. We need metric like a cat needs ten tails. It costs millions and confuses millions. It is the worst thing that could happen to agriculture. It will be a financial disaster to many persons. The movement to tonnes and hectares is to much". I could go on and on Mr. Speaker, but this is the gist of the replies I received. Farmers are not in favour of changing to the metric system of measurement at the present time. These people are angry that their opinions have been ignored, and they are bitter at the federal government's insensitivity to their special problems.

I do not understand the logic of arguments for wholesale conversion to the metric systems. It seems to boil down to consistency for consistency's sake. Surely it is time we moved beyond this closed-mind approach. One of the major principles of democratic governments is that they are responsive to the wishes of the people who elected them to govern. In this case the government seems a little slow to acknowledge the wishes of the people. All we are doing here is providing them with time to consult the people again. I know the minister is scratching his head, and I believe he is serious about attempting to meet these requirements.

The government of the United Kingdom should serve as a good example. It made major concessions to groups which sought the same thing western farmers are seeking, and agreed that the mile, the inch, the pint and the gallon would be exempt from statutory metrication. The governments of Sweden and the government of the United States have also indicated their willingness to have a mixed system of measurement in certain areas. If other nations can demonstrate this kind of flexibility, why not the government of Canada?

Judging by the outcry from farmers in my constituency the need to retain the acre is evident. These men and women are very upset about the change from acres to hectares. Since the first day on their land they have dealt in terms of acres, measured their pesticides, bought their seed and sown their crops all with reference to the unit of the acre. Now they are being asked to make their calculations in terms of hectares.

● (1250)

The farmers of this country are already in a precarious position. The spiralling cost of almost all major farm inputs, combined with inflation in other sectors, means the farmer is

involved in a continual struggle to make ends meet. He cannot afford the energy, time or expense needed to learn a new system which offers him no tangible benefits. The metric system will not make his land more productive, nor his cattle healthier, nor gain him a single extra dollar on market day. Is it any wonder he is resentful?

In previous debates the government attempted to slough off the concern of my colleagues about the effect the proposed change from acres to hectares will have on the land titles system in western Canada. The hon. member for Qu'Appelle-Moose Mountain dealt with some of those effects. It has been argued that provincial and municipal officials will not necessarily need to change their system of land measurement, to keep in tune with Wheat Board changes. However, such changes are already discussed in provincial legislatures.

I agree with my colleague for Vegreville who said during the committee hearings on this bill that if a farmer will have to use hectares in his quota allocations and in his dealings with the Canadian Wheat Board, it only follows suit that the municipalities and the countries will use the same measurement to be consistent. I say that the cost of such changes will be enormous, and the end results extremely confusing. As land is sold, new titles will have to be drawn up in terms of hectares. A patchwork system of land registry will be the outcome, some parcels of land being measured in acres and others in hectares. This will lead to unnecessary confusion.

The grid system of land measurement, with its sections, square miles and acres has served us well for many years. It is a simple system which all of us in western Canada understand. We all know our roads are laid out in distances of one mile by two miles, that each square mile encompasses 640 acres and each township encompasses 36 sections. The hon. member for Calgary North (Mr. Woolliams) during the second reading debate discussed the origin of this system of land measurements. The benefits of its simplicity have been apparent over the years. Its worth has been shown time and again. I might add that the western land titles system is the envy of a number of other Canadian provinces—indeed, of some other countries.

It would be foolhardy if the government, for the sake of consistency, were to replace a tried and trusted system with one which bears no relationship to the existing method of land registry. What are the benefits of the proposed change? I am having a hard time discovering what benefits are to be gained from such a system of land measurement as the government proposes.

We should consider the very idea of change most seriously. Before we cast out old methods and introduce new ones we should evaluate carefully the costs and benefits involved and ask ourselves: What price are we paying for this change? True, in much of the history of the western world it has been held that change is inherently good in and of itself. Today we are re-examining this idea, calling it in question. Environmentalists have argued that the ecological costs of some industrial innovations are prohibitive. Educators have begun to discard so-called new teaching methods and are reverting to the old, tried and true system.

[Mr. Schellenberger.]

That the new system is a failure is demonstrated by the fact that today some students can hardly read or write even when they seek to enter university. We now know that hasty, ill-advised change can hinder, rather than hasten, progress. That is why I urge the government to accept the amendment proposed today by the hon. member for Qu'Appelle-Moose Mountain and thereby do the Canadian people a great service.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, since I was unable to participate in the debate on second reading by reason of attendance at committee meetings, I am particularly pleased to have the opportunity to speak on third reading of this bill. As hon. members know, the constraints of committee attendance sometimes make it impossible for members to participate in debates in this House.

Since first introducing this legislation the government has paused, has delayed, as it were. That delay has been to the good for it has enabled grain producers, especially those in western Canada, to let their members of parliament know their gut reaction to this bill. I have been made aware of the reaction of constituents as a result of correspondence and personal visits. I point out that nearly all this reaction became evident after the second reading debate, after news of these changes had become known to constituents and to the shirt-sleeved grain farmers of western Canada.

May I call it one o'clock?

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INFORMATION

REASON FOR FAILURE OF COPIES OF TORONTO "SUN" TO APPEAR IN OTTAWA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move the following motion seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the government advise the House of the whereabouts of 700 copies of the Toronto *Sun* dated June 9, 1977, placed on an Air Canada flight to Ottawa early this morning, and, in particular whether or not anyone in the government or in the Liberal Party, acting on behalf of the government had anything to do with this paper not appearing on Ottawa newstands, and, finally, whether or not the reason was that the newspaper contained an article which might be embarrassing to the Liberal Party and damaging to its campaign director, Senator Keith Davey.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: No!

An hon. Member: Cover up!

* * *

[*Translation*]

CONFEDERATION

REQUEST THAT THE ALLEGED QUARREL OVER ACCOUNTING WITH QUEBEC COME TO AN END—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under Standing Order 43, I ask for the unanimous consent of the House to put a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that some federal ministers, especially the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of Finance (Mr. Macdonald) have launched a real campaign on the advantages of Confederation for Quebec in spite of the statements made by the Prime Minister (Mr. Trudeau) to the effect that his government would not quarrel over figures; considering that those ministers are making a disgraceful show by throwing figures at each other like children throwing stones and as such behaviour is inconsistent with the dignity and seriousness which the people expect from their representatives, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House ask ministers of the Crown to refrain immediately from quarrelling about figures with the Quebec government, since this quarrel, far from contributing to the englightenment of the debate, only reflects on the credibility and dignity of the people's representatives.

Mr. Speaker: Order. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

REFERENCE TO COMMITTEE OF ALLEGATION OF POOR DEPLOYMENT OF ICEBREAKERS AROUND NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John Crosbie (St. John's West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the serious charges, in essence of negligence and maladministration, made by the hon. member for Gander-Twillingate (Mr. Baker) who is also Parliamentary Secretary to the Minister of National Revenue, against the Ministry of Transport in respect of icebreaker services off the east coast of Canada and the charge that the sinking of the *William Carson* could have been prevented if there were better deployment of icebreakers off Newfoundland and Labrador, that the present deployment is "scandalous" and that there is only one icebreaker operating off Newfoundland, with one on lease and four or five lying idle in Dartmouth, I therefore wish to move, seconded by the hon. member for St. John's East (Mr. McGrath):

That these charges be referred to the Standing Committee on Transport and Communications for examination of the hon. member and the Minister of Transport and for investigation and report back to the House as to the validity or otherwise of the charges.

● (1410)

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHIEF OF DEFENCE STAFF FOR UNITED KINGDOM, ADMIRAL SIR EDWARD ASHMORE

Mr. Speaker: Order. Before beginning the oral question period I know that hon. members would want to join with me in signalling the presence in our gallery of a distinguished visitor here for NATO meetings. I refer to the chief of the defence staff for the United Kingdom, Admiral of the Fleet Sir Edward Ashmore.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

POSSIBILITY OF EARLY AGREEMENT WITH JAPAN ON EXPORT OF URANIUM AND NUCLEAR REACTORS

Mr. James Gillies (Don Valley): Mr. Speaker, my questions are for the minister of external affairs. I should like to commence by thanking the minister for agreeing to postpone his statement on nuclear safeguards in general at the specific request of our party; I appreciate that very much. There are one or two matters I should like to raise which may perhaps be pertinent because of their timing.

First of all, I understand the minister is against starting negotiations with Japan, and I would like to ask him whether it is probable that Canada will reach some understanding with Japan about nuclear exports of uranium and reactors, either formally or informally, before the Group of Seven report promised after the summit meetings in London comes down?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): First of all, Mr. Speaker, I want to return the compliment by thanking the hon. member for giving me notice. The position is that I would hope we can make progress at the Vancouver meetings next Monday with Japan. The bilateral agreements are not necessarily hinged on the results of the Group of Seven study. The problems between our two points of view have been identified. Perhaps the most substantive one at the moment is the question of double labelling; that is to say, when supplies from Canada go into the United States, it is the Canadian position that they remain under Canadian control, and also through the full life and into the Japanese cycle. The Japanese are maintaining that the Canadian regulations should not go that far, but it is possible that in the talks next week we will arrive at some mutual agreement which will enable us to resume shipments.

POSSIBILITY OF RESUMPTION OF SALES OF SUPPLIES TO INDIA FOR NUCLEAR REACTOR

Mr. James Gillies (Don Valley): A supplementary question, Mr. Speaker. Again in relation to the immediacy of these negotiations, I understand that the Prime Minister is now talking to the prime minister of India about Canada's role in exporting to that country. I should like to ask the Secretary of State for External Affairs what is the likelihood of the resumption of Canada's dealing with India in the field of nuclear supplies, given the fact that we had an unfortunate experience with that country in the past.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I would say that the likelihood of an immediate resumption is slight if one is speaking in terms of months. However, prior to the Prime Minister's leaving for London we were encouraged by some of the statements which had been made by the new administration in India. It is these statements on which the Prime Minister is seeking additional clarification. I do not think it is an improper disclosure to say that the Prime Minister will obviously be urging that the Indian government adopt the Canadian policy, namely that of full scope safeguards. I have not as yet heard anything from London on the outcome of what I gather were quite preliminary discussions yesterday, but I understand that more substantive talks between the two prime ministers will take place this weekend.

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ENERGY

ALLEGED PARTICIPATION BY CANADA IN INTERNATIONAL URANIUM PRICE-FIXING CARTEL—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs and it relates to the statement made last week by the president of Gulf Oil Corporation that he had been ordered by the government to participate in an international uranium price-fixing cartel which operated between 1972 and 1975. In view of the federal grand jury investigations into anti-trust allegations involving the Canadian government, the congressional investigations and the $2.5 billion worth of litigation carried on by Westinghouse in the United States, will the minister tell the House what action the government is taking to resolve this situation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, with your permission, I will answer that question because it affects certain aspects of the administration of my department. There is no secret about the fact that Canada was engaged in a producers group or producers club aimed at trying to provide a stability of price for uranium, and indeed the survival of certain communities in Canada. The question which has been highlighted by the president of Gulf in a recent statement is that the Canadian subsidiary passed information to the United States parent corporation and that some of that information may be made public in the United States. It is confidential information originating from government sources. It is something I regret very much, and we took action to prevent it happening.

DATE OF INTRODUCTION OF CONTROLS ON OWNERSHIPS OF URANIUM MINES AND FACILITIES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my recollection is that this answer of the minister is completely contradictory to an earlier answer he made in which he denied the existence of any arrangements whatsoever.

I want to ask the minister, in light of the problem of extraterritoriality facing the uranium industry, when the government intends to bring forward the controls on foreign ownership of Canadian uranium which have been promised for so long? The former minister, the Hon. J. J. Greene, made a statement of policy in 1970, but there has been no indication of legislation being brought forth to put into place a precise policy respecting the ownership of uranium mines and facilities in Canada.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I hope to be able to bring it forth in this current session. As the hon. member knows, there is clearly no possibility of introducing such legislation and getting it through before this session rises. As a consequence, therefore, I would expect that we would have to wait until the next session to introduce the legislation. I hope to have the co-operation of the House to proceed expeditiously.

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COMBINES

ALLEGED PRICE-FIXING ARRANGEMENT FOR SALE OF URANIUM—REQUEST FOR REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I would like to direct my supplementary question to the Minister of Consumer and Corporate Affairs. In view of the statement which has just been made by the Minister of Energy, Mines

and Resources to the effect that there has been in place a price arrangement with respect to the sale of uranium, I wonder whether the minister could advise the House as to whether his department has investigated this arrangement; whether they are in a position to come forward with a report as to whether this particular activity contravenes any Canadian regulation or legislation with respect to price fixing; and whether there will be a statement made to clarify this situation because of the image of our country with foreign customers and also with respect to the impact on consumers in Canada?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the hon. member knows, the director of investigations conducts frequent inquiries into various things and has frequently reviewed different sectors of industry. As the hon. member is well aware, the uranium industry has been the subject of an action in the United States asserting that there have been combinations of price-fixing. Needless to say, our department is most interested in the subject. I cannot offer the hon. member any comment at this time; but I will take notice of it and bring the matter to the attention of the director of investigations and report to him.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED ILLEGAL BUGGING OF HOTEL ROOMS OF EDMONTON POLICE OFFICERS—REQUEST FOR REPORT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Solicitor General and concerns the evidence which was given before Mr. Justice Laycraft in Edmonton on June 7, that RCMP officers had illegally bugged the hotel rooms of three Edmonton city police officers. I wonder if the Solicitor General could advise the House as to whether he has conducted an inquiry into that most serious allegation which was made in front of Mr. Justice Laycraft, an Edmonton judge, and if so, could he advise whether charges will be laid or whether an offence took place?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have read the reports of the evidence given before Mr. Justice Laycraft during the inquiry in Alberta. One RCMP corporal gave evidence that he had second hand information to the effect that the room had been bugged. This matter was looked into by the top management of the RCMP. The deputy commissioner of RCMP was delegated by the commissioner of the force to investigate the matter fully and as a result of his investigation it was found that no acts of bugging in connection with the investigation which the hon. member mentioned have occurred. However, the matter, as I understand it, is being investigated by the royal commission inquiry into the Royal American Road Shows in Alberta, and if any evidence comes to light of illegal bugging, immediate action will be taken.

● (1420)

INVESTIGATION OF ROYAL AMERICAN ROAD SHOWS—REFUSAL TO PRODUCE DOCUMENTS ON GROUNDS OF NATIONAL SECURITY

Mr. Stuart Leggatt (New Westminster): My information—I hope the Solicitor General will correct me if I am wrong—is that certain evidence was not introduced at that hearing because of a certificate that it involved questions of national security. Could the Solicitor General advise me if my information is correct and, if it is, what was the matter of national security that the Solicitor General was seeking to protect?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have not yet been advised as to whether the affidavit to which I subscribed has yet been produced in the court. There was a request for documents from me which related to matters looked into by the security service of the RCMP which have absolutely nothing to do whatsoever with the case of the Royal American Road Shows. The affidavit was subscribed to by me on grounds of national security as I am authorized to do under section 41(2) of the Federal Court Act.

BREAK-IN AT PRAXIS CORPORATION—POSSIBILITY OF CHARGES BEING LAID AS RESULT OF RETENTION OF DOCUMENTS

Mr. Stuart Leggatt (New Westminster): In the case of the Praxis break-in in Toronto the documents that were obtained by the RCMP at that time were held for a period of some years before being made available to their rightful owners, or the Toronto police for that matter. Would the Solicitor General advise the House whether he has received any opinion from the law officers of the Crown as to whether an offence took place in terms of receiving stolen property in view of the fact the force itself retained those documents? Coming into their possession, they would appear to have the legitimate right to examine the information in terms of their information gathering responsibility. Has any advice been given to the Solicitor General that a crime took place because of the failure to return the property to Praxis Corporation, and will charges follow?

Hon. Francis Fox (Solicitor General): I have not received an opinion from the law officers of the Crown to the effect that a crime has been committed. I immediately consulted the law officers of the Crown following knowledge of the fact that some of these documents were still in the possession of the RCMP. The advice I received from the Department of Justice at that time was that the documents ought to be turned over to the Metropolitan Toronto Police department immediately, which was done. That department had the responsibility of investigating the question of a possible break-in and the matter of the retention of documents, and I understand that the Metropolitan Toronto Police department has now concluded its investigation, has had the opinion of a Crown attorney in the department of the provincial attorney general of Ontario to the effect that there was no criminal act involved in the retention of the documents.

[*Translation*]

FINANCE

REASON FOR PROSPERITY OF BANKS IN VIEW OF UNEMPLOYMENT AND INCREASE IN NATIONAL DEBT

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of Finance.

According to the official *Gazette* of Canada, within the five-month period between October 31, 1976 and March 31, 1977, chartered banks' assets went up from $121 billion to $133 billion, an increase of $12 billion over the previous year. Can the Minister of Finance explain why chartered banks in this country are so prosperous while Canada's debts are increasing and unemployment is so disastrous?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not think there is a relation between both facts.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE OF MINISTER'S STATEMENT

Mr. Walter Baker (Grenville-Carleton): I have a supplementary question for the Solicitor General arising out of the line of questions involving the Royal Canadian Mounted Police, specifically with respect to L'Agence de Presse Libre matter. I understand that the sentencing of the three police officers in question, including one from the RCMP, will be delayed now until June 16. Would the minister be prepared to confirm this, and will he also be prepared to confirm that immediately following that event he will be making a statement in the House giving a full disclosure, as was undertaken by the Prime Minister and indeed the minister himself?

Hon. Francis Fox (Solicitor General): Yes, Mr. Speaker, on both counts. I have been informed by the attorneys of the Department of Justice that the trial judge in Montreal heard the arguments of the defence attorneys and the Crown attorneys this morning in Montreal and decided to postpone handing down the sentence until June 16. It will be my intention to make a statement in the House on June 17, the day following the handing down of the sentence.

REASON FOR FAILURE OF FORMER MINISTER TO BE INFORMED OF PLANS FOR VIOLENT DEMONSTRATION OF ANNIVERSARY OF 1970 CRISIS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the news report also indicates that counsel at the hearing today representing Chief Superintendent Donald Cobb said that the special anti-terrorist squad had received information that a violent celebration of the second anniversary of the 1970 crisis was planned by FLQ members and that that anti-terrorist squad had received that information some five months earlier. I emphasize the fact that it was five months earlier. If this is true—and I think the statement should cover that—would the minister make some special inquiries to ascertain how this information which was in the hands of the RCMP some five months earlier could not have been in the hands of the then solicitor general, who was responsible for the RCMP?

While I am on my feet, I would like to ask the minister to undertake that the special prosecutor in the case was not binding the Solicitor General and, indeed, the government when he is alleged to have told the trial judge—and I am now quoting from the release—that the break-in and the nature of the operation will not be made public because of the special nature of this affair and because it involves state secrets. Is the minister bound by this statement? Has he had anything to do with instructing the special prosecutor with respect to this matter? Does he accept that limitation? In other words, is the Solicitor General's statement to be a full statement as has been originally promised by the Solicitor General and, indeed, by the Prime Minister?

Hon. Francis Fox (Solicitor General): Mr. Speaker, it is quite evident that the special prosecutor who handled the matter before the court in Montreal was appointed by the attorney general of the province of Quebec, and as such I have not been in touch with him, nor have I given instructions. It would not be proper for me to be in touch with him or to give him instructions. What he said in the course of his argument is not binding on the government of Canada.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED WITHDRAWAL OF CLAUSES IN BILL C-51 IN VIEW OF NUMBER OF UNAUTHORIZED WIRETAPES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the answers given by the Solicitor General to the hon. member for New Westminster and in light of the fact that we heard powerful evidence today from Mr. Chappel, Mr. Cartwright and Mr. Cooper, members of the Law Society of Upper Canada and distinguished Queen's Counsel, as to the number of unauthorized buggings or wiretappings, would the Minister of Justice now consider repenting and withdrawing those clauses in Bill C-51 which would usurp the civil rights of Canadians everywhere?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I did not hear the evidence to which the hon. member referred because I was obviously not in the committee. Those amendments which are in committee are being studied, and in due course the committee will report. I have had an opportunity to read the brief from the Advocates Society of Ontario. Some of it I find to be a very useful contribution, namely, the latter part which proposes that where an application for a wiretap is made, notification must be given of previous applications. However, I take very considerable exception to the part about solicitor-client communications. I indicated at second reading that it seemed to me to be fundamental to our system that the citizen must have the right to communicate with his counsel

without the fear of interception, and it is for that precise reason that the amendments are being proposed. With the greatest respect to the Advocates Society of Ontario I do not understand that submission.

Mr. Woolliams: Mr. Speaker, the Minister of Justice and I are good friends, but I think what he said today was tommy-rot. In light of the decision in the Wray case in the Supreme Court of Canada that any evidence which is relevant is admissible and in light of the fact that unauthorized wiretapping is going on—and we have no way of determining to what extent—I ask the minister again whether he will repent, stop the rhetoric and give us an answer.

* * *

● (1430)

HEALTH

SWINE INFLUENZA VACCINATION PROGRAM—POSSIBILITY OF REINTRODUCTION—REASON FOR SHORTAGE OF RUBELLA VACCINE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. According to figures provided by his department almost ten million doses of swine 'flu vaccine were prepared for the 1976 season but less than six million doses were sent to the provinces. Would the minister tell the House what happened to the remaining four million doses and what he plans to use them for—if he knows where they are? Since there has been a death from swine 'flu in the United States recently, does he intend introducing a swine 'flu vaccination program for this year as well?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the quantity of vaccine referred to by the hon. member is kept in stock and a review of the situation is made regularly. The case reported in the United States has been investigated and it seems that it is a known case of New Jersey type flu. But we feel there is no reason yet to launch another vaccination campaign. However, if other cases were reported in the next few months, we probably should restart the program.

[*English*]

Mr. Speaker: Order. Order please. I wonder if I might be able to hear the questions and answers, please. The hon. member for Athabasca has a supplementary question.

Mr. Yewchuk: A supplementary question, Mr. Speaker. Can the minister explain why the country is currently experiencing a shortage of rubella or German measles vaccine? Is it because the Canadian facilities were all turned to the packaging and processing of swine 'flu vaccine? The shortage has been so severe that no province has been able to obtain adequate supplies for the last three months. In view of the risk of deformities in children that may occur if German measles is contracted in the early stages of pregnancy, what is the minister going to do about this problem?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I can say to the hon. member that the reason for the shortage is not related to the production of the New Jersey type vaccine involved last fall. As to what the present situation is, I shall inquire and gladly report to the hon. member at the first opportunity.

* * *

[*English*]

EXTERNAL AFFAIRS

ARRANGEMENTS WITH UNITED STATES FOR FISHING RIGHTS ON GEORGES BANK—REQUEST FOR PROGRESS REPORT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the fact that the United States and Canada agreed to a status quo arrangement regarding the Georges Bank only for this year, an arrangement which I understand has not yet been ratified by the United States Congress, can the minister indicate if he has "lit a fire" to use his own words, under the negotiators on both sides through his special representative who I believe has been appointed in place of Mr. Beasley and if so, will he inform the House of the progress being made to resolve the ownership of this bank whose resources of groundfish, scallops and deepsea lobster are worth many millions of dollars annually to Canadian fishermen?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am very glad to give a progress report. The preliminary negotiations have been continuing and as the hon. member says the "fire" is burning a little more brightly on our side than on the United States side. I was advised by the State Department a few days ago that they must undertake a series of preliminary discussions with their regional councils and other departments which they now believe will be finished in short order. This means that the actual negotiations should soon begin and I estimate this will take place before the end of the month or certainly early in July.

ARRANGEMENTS WITH UNITED STATES FOR FISHING RIGHTS ON GEORGES BANK—POSSIBILITY OF THIRD COUNTRY MEDIATION

Mr. Lloyd R. Crouse (South Shore): In light of the uncertainty hanging over the fishing industry in Canada and the United States—an uncertainty which I submit hampers the future progress and development of the industry—as a result of this impasse, has the minister given any thought to calling on a third country to assist in mediating this dispute?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the interim agreement to which the hon. member referred was agreed to sometime ago and, as he said, is now in the process of going through the United States Congress. It has a provision in it that if agreement has not been reached by the end of this year or if it is apparent toward

the end of the year that agreement will not be reached, it is open to one or both parties to make use of third country arbitration. There was no specific agreement as to the form of arbitration that might be employed but the means are available to settle that particular question.

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[*Translation*]

PUBLIC WORKS

INQUIRY WHETHER PLACE GUY FAVREAU PROJECT IN MONTREAL HAS BEEN ABANDONED

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I want to ask a question of the Minister of Public Works, but in his absence I shall direct it to his parliamentary secretary. Has the minister dropped the project of Place Guy Favreau in Montreal?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the Place Guy Favreau project in Montreal has not been dropped. However, we are considering a more modest project, which may have various uses.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF ANATOLY SCHARANSKY IN SOVIET UNION—EFFORTS TO OBTAIN RELEASE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I put a question to the Secretary of State for External Affairs. Has his attention been drawn to the case of Anatoly Scharansky, founding member of the Soviet group monitoring the Helsinki Agreement who has been imprisoned and charged with espionage despite the fact that his only offence was his application for a visa to emigrate from the Soviet Union? If the minister is aware of this, has he given consideration to making representations to the government of the Soviet Union urging it to live up to the commitment it made when it signed the Helsinki Agreement and to permit Mr. Scharansky to leave the Soviet Union?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, of course I am familiar with the case in question which has been widely publicized and has been called to my attention by the hon. member and other members of the House. We have not made representations to the Soviet Union on this particular case but it is our judgment that the general representations I have made repeatedly with regard to the treatment of dissidents as well, of course, as on family reunification, covers situations such as this one. In our preparations for the Belgrade conference we have to assess the ongoing effects of the Helsinki Agreement and I have no doubt that Canada, along with many other countries, will be making the same kind of strong representations at Belgrade.

[Mr. Jamieson.]

Mr. Orlikow: A further supplementary question, Mr. Speaker. In view of the fact that the United States government which is also assessing the position it will take at the Belgrade conference, has already expressed its views to the government of the Soviet Union in connection with this case, will the minister consider making direct representations to let the Soviet Union know that its actions will be a factor in the attitude of the Canadian representatives at that conference?

Mr. Jamieson: Mr. Speaker, I will be glad to consider that but as I have said many times in the House there is no question from my point of view and, I am sure, of hon. members, that there is a certain amount of satisfaction which comes from commenting on individual cases. It has been our experience, however, that it is more effective in most circumstances to make the kinds of representations to which I referred earlier. If there is something to be gained by joining with other countries in a specific reference to an individual, certainly I will be glad to look into it.

STABBING AND POLICE HARASSMENT OF MRS. NORMA MASON IN TIJUANA, MEXICO—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Just over two months ago Mrs. Norma Mason from Surrey was visiting Tijuana, Mexico and was stabbed by an unknown assailant. I have asked the minister whether he has lodged a formal protest with the Mexican government regarding this incident because it followed that in her semi-paralytic state she was harassed by the police. Has the minister lodged a formal protest with the Mexican government and is the government going to give her some kind of compensation for that harassment?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me notice. That is all the more reason why I am sorry to have to say to him that after he talked to me there was not time to get the full details. I will get them as quickly as possible, however. On the question of representations, I am quite certain although it is not of my personal knowledge that we have made representations already. I will get an up-to-date report from our ambassador in Mexico and from our local officials on the matter.

Mr. Speaker: Order, please. This must be one of those rare parliamentary occasions on which notice can be given in advance of a supplementary question.

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TRANSPORT

INCREASE IN FREIGHT RATES ON POTATOES AND PROVISION OF ADDITIONAL EQUIPMENT—REASON FOR TIMING OF ANNOUNCEMENT

Mr. David MacDonald (Egmont): Mr. Speaker, I do not know if the Minister of Transport has heard of this question in

advance. I raised the matter with him on May 2. It concerned the recent announcement of the railways concerning an increase of 34 per cent to be implemented in the next six months for Maritime potatoes, and the provision of new equipment. Has the minister conferred with the CNR or was he notified about the announcement to do with the replacement of reefer cars with 110,000 pound insulated boxcars, which are totally inappropriate to the needs of eastern producers? Can he explain why this announcement was made literally hours before the first meeting took place between his task force and representatives of the Prince Edward Island and New Brunswick potato industry?

● (1440)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, Canadian National had indicated to me their belief that some of the insulated boxcars would be suitable equipment for moving potatoes and that compensatory rate requirements would lead to certain increases in rates, of 20 per cent and later, I think, 12 per cent. The increases will be imposed in two phases. It was intended that the notice of increase would give advance notice to potato shippers and also to have the increases on the table, since Canadian National intends to proceed with discussions with shippers and others on the subject of equipment and its availability.

JUSTIFICATION FOR PROVISION OF NEW EQUIPMENT TO TRANSPORT POTATOES—CONSULTATIONS WITH PRODUCERS

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Since it took six months for the minister's committee to become operational in the consideration of this question, and since there is now to be an extensive study of equipment and costs in the next few months and a report is to be made to the minister I believe by the middle of August, can the minister say in what way the CNR was able to justify the provision of new equipment under those two subsidies, in September and January, when, as I understand it, there is no authority for this to take place? Second, was any determination made with the potato industry of New Brunswick or Prince Edward Island as to whether the equipment which is to be substituted will be adequate or effective, given the potato industry's great objections concerning the use of that equipment?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not sure to what extent the objections relate to the rate increase rather than to the equipment. The equipment was used in different places previously. It was used to ship potatoes. The equipment Canadian National acquired is not new. By and large, this equipment was in use for the movement of other goods eastward, and it had not been used on the back haul. That meant that Canadian National could offer lower rates than would otherwise be required under the law, which requires rates to be compensatory. As I said, there have been informal probings concerning the suitability of the equipment, but the announcement of the rates and discussions which are to follow are designed to look at that question more completely.

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TELEGLOBE CANADA

REASON FOR REFUSAL OF COMPANY TO ARBITRATE STRIKE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, since the Minister of Communications is not in the House and has been in France I think these past few days I direct my question to the acting Minister of Communications, whoever that may be. Why has Teleglobe refused to go to arbitration in the matter of the strike presently under way by members of the Canadian Overseas Telecommunications Union against Teleglobe? Was the strike among the reasons for the disappointing television coverage of the Jubilee events taking place on the other side of the Atlantic?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, in the absence of the minister I will take that question as notice.

Mr. Nowlan: A supplementary question, Mr. Speaker. I am glad to know who the acting Minister of Communications is—so long as he knows what he is. Since the minister has taken my previous question as notice, could he also draw to the minister's attention my supplementary representation, to prevent an unfortunate situation being further exacerbated? Since the present strike will expand rather than shrink unless certain questions are resolved, I suggest that government facilities, that is to say coastguard equipment and/or helicopters, should not be used to transfer supplies and/or personnel in certain areas in order to maintain some existing plants. I suggest this so that the government of Canada will not be involved in strike-breaking aimed against one of its own Crown corporations.

Mr. Gillespie: Mr. Speaker, I will be pleased to pass that representation on, too.

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EXTERNAL AFFAIRS

PROPOSED REFINERY AT EASTPORT, MAINE—DISCUSSIONS WITH UNITED STATES ON RISK OF ENVIRONMENTAL DAMAGE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question for the Secretary of State for External Affairs concerns the approval by the Main Board of Environmental Protection of a licence for the Pittson Refinery near Eastport, Maine. In light of the massive environmental threat that this operation poses to the Head Harbour Passage and neighbouring parts of the New Brunswick coastline and in light of the uncertainty that now exists as to whether the Canadian veto power over the project still applies in respect of international waters, will the minister immediately contact his U.S. counterpart to obtain binding legal assurances that no refinery will be

built until this country is satisfied that the level of risk is acceptable?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am not certain that that is the route to follow but will certainly look at that possibility. I understand that licences as issued by the state of Maine are conditional upon clearance being obtained from Canada with regard to the transiting of Head Harbour Passage. Our position on it remains, as it has been consistently, that we do not consider this waterway safe for the transit of large oil laden vessels and we have no reason to change our attitude in that regard. The company and other interested parties were all advised of this position some time ago.

Mr. Howie: Mr. Speaker, I thank the minister for his answer, and ask this supplementary question: In view of the increasing level of hazards posed by tanker routes, tanker ports and off-shore drilling operations to both the United States and Canadian coastlines, will the minister be prepared to consider undertaking discussions with the United States with a view to forming a specific joint consultation procedure to deal with high risk projects which are increasingly affecting the adjacent waters of the two countries?

Mr. Jamieson: Mr. Speaker, as the hon. member no doubt knows and as has been mentioned in the House several times in recent weeks in relation to west coast tanker traffic, such discussions with the United States are under way already. They may not take precisely the form the hon. member outlined but we are making progress and I am still of the view that we can reach some satisfactory arrangement with the Americans.

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MULTICULTURALISM

REQUEST FOR STATEMENT OF POLICY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the minister responsible for multiculturalism. I refer to an address given by the minister at the Indians of Toronto conference on May 14, I believe, in which he vaguely suggested the government's policy on multiculturalism. I wonder if the minister could be more specific and indicate to the House what the government's permanent policy is on multiculturalism?

Mr. Speaker: Order, please. The question surely, by its very terms, asks the minister to make a general statement on policy.

Mr. Paproski: Mr. Speaker, I remind the minister of his statement in this House on May 2, in which he stated he would provide me with written notice of details of the government's permanent policy on multiculturalism. I have not yet received a reply. Does this means that the government's policies are too numerous to mention or that the government has not any policy on multiculturalism?

[Mr. Howie.]

Mr. Speaker: Order, please. The hon. member is asking the minister to set out certain policies. This would have to be done at some time other than during the question period.

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FINANCE

EFFECT OF ECONOMIC SITUATION ON EMPLOYMENT IN MANUFACTURING—POSSIBILITY OF EARLY BUDGET

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Has the minister reviewed the remarks made by the economist Douglas Peters, particularly those remarks to the effect that manufacturing, which previously accounted for 27 per cent of employment and now accounts for 22 per cent, could account for only 15 per cent in future years if economic conditions are not put right?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, without confirming those specific figures I would have to say that yes, indeed, that is the trend about which the government is concerned. That trend, and the impact on it of inflation, has been very much the reason for our concern about inflation in Canada.

Mr. Stevens: A supplementary question, Mr. Speaker. Did the minister also note Mr. Peters' comments about Canada being half a million jobs short of reasonably full employment levels by the mid-1980s, which would mean Canada is heading for a 10 per cent unemployment rate? Mr. Peters made the point that that will happen unless there are tax reductions including further tax credits, federal sales tax cuts and, in general, more buoyant budgets implemented at the Ottawa level?

Mr. Macdonald (Rosedale): Mr. Speaker, I pointed out to Mr. Peters and his companion on the panel who was recommending a cut in personal income tax that, of course, everyone would like a general reduction in taxation, but nobody likes a general reduction in services.

Mr. Stevens: A final supplementary question, Mr. Speaker. Since inflation is at higher levels than anticipated, unemployment is higher than anticipated and real growth is lower, is consideration being given to the introduction of an early budget?

Mr. Macdonald (Rosedale): No, Mr. Speaker.

• (1450)

[*Translation*]

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Solicitor General. Since he has been informed of the question, with your permission I shall wait until he is back in the House.

CONSUMER AFFAIRS

POSSIBILITY OF ESTABLISHING BROILER MARKETING BOARD—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Since the broiler producers' association has been waiting a long time now for the decision of the cabinet on the creation of a marketing board which would meet the long-term interests of consumers, and since the Minister of Agriculture said he was in favour of such a project, is the Minister of Consumer and Corporate Affairs prepared today to support the Minister of Agriculture, so that the project may be announced as soon as possible?

[*English*]

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I suggest to the hon. member that he is correct in referring to the Minister of Agriculture because this particular policy falls under his jurisdiction. I believe his last answer is that cabinet will be considering the matter soon.

[*Translation*]

Mr. La Salle: Mr. Speaker, my question is directed again to the Minister of Consumer and Corporate Affairs. As that marketing board will have interesting consequences for consumers, can the minister tell the House whether he is willing to support the Minister of Agriculture who seems to need it before he can make the long-awaited announcement?

[*English*]

Mr. Abbott: Mr. Speaker, I prefer to reserve my comments for cabinet where this matter is being considered rather than for the hon. member for Joliette.

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[*Translation*]

PENITENTIARIES

POSSIBILITY OF IMPLEMENTING RECOMMENDATIONS OF SUBCOMMITTEE—GOVERNMENT POSITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Solicitor General.

In view of the questions put yesterday in the House, and in particular further to one of his replies to the effect that an advisory group made up of representatives of the Royal Canadian Mounted Police, the Canadian Penitentiary Service and the Parole Board will be set up to study the recommendations of the subcommittee on justice and legal affairs, can the minister tell the House whether, after those three weeks have elapsed, when this study group makes recommendations to him on the recommendations of the subcommittee, he will implement the recommendations of the subcommittee or those of the study group, and also whether he will consult the subcommittee? I ask that because the newspapers spoke of the matter this morning leading to some confusion.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I thank the hon. member for his question. Of course, if there is confusion I should like to dispel it as soon as possible. I assigned a group of senior officials in my department the task of studying as quickly as possible the recommendations of the subcommittee and letting me know as soon as possible which of them can be implemented without delay. I gave specific instructions that I be given recommendations to that effect, and not I be given the reasons for which recommendations could not be implemented. Instead, I asked them to indicate which recommendations, of which I am sure there will be a number, could be implemented quickly.

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[*English*]

FINANCE

SUGGESTION BANKS LOWER INTEREST RATE ON CONSUMER LOANS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance and invite the attention of the Minister of Consumer and Corporate Affairs. My question is based on the fact that although the bank rate in the last two or three years has come down from a high of 9.5 per cent to 7.5 per cent, the chartered banks are still charging 13.5 per cent for consumer loans. Will the government take steps to see to it that ordinary Canadians get the benefit of the reduction in the bank rate?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will consider the suggestion.

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SOCIAL SERVICES

MEASURES TO IMPROVE CONDITIONS FOR THE BLIND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of National Health and Welfare. In view of the hardships being encountered by the handicapped of this country, particularly the blind, will the minister advise what progress is being made with regard to the report "Vision Canada"? Is any action being taken on recommendations that seem to be justified?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the recommendations concerning my department and coming under its responsibility have been acted upon. A number of other recommendations are directed to the Canadian National Institute for the Blind, which is now considering some and acting upon others. We are working closely with the Canadian National Institute for the Blind to implement the recommendations of this report.

Oral Questions

[*English*]

POSSIBILITY OF INCREASING ALLOWANCES FOR THE BLIND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): One of the main recommendations was with regard to the financial restrictions placed on the blind because of their special needs. Is there any agreement between the minister and the provincial ministers with regard to increasing the allowances afforded to the blind in all provinces, even though the provinces have opted to include them under social assistance?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): There is nothing to prevent the provinces from increasing their special allowances to the blind. If they decided to go ahead with this, these allowances would remain eligible for the 50 per cent sharing of the costs with the federal government, under the Canada Assistance Plan; the initiative must come from the provinces.

* * *

[*English*]

FINANCE

CANADIAN POSITION AT GATT TALKS IN GENEVA

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is Canada's trading position in the current GATT round of talks in Geneva aimed at trading gains in processing of our resources in exchange for opening Canadian markets to manufactured goods from abroad? This is the impression coming out of the talks on Canada's position at the present time. If this is the case, does the minister realize that under present economic conditions in Canada such a policy will mean the end to much manufacturing in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, our objectives are much more complex than that. They would include not only securing better access for Canadian manufactured goods but, as the hon. member mentioned, more highly processed goods in foreign markets. It will also, to an important degree, be directed at trying to reduce the non-tariff restrictions to the importation of Canadian exports which have been so effective in some countries, much more effective than the tariffs in keeping out Canadian exports. Naturally, we expect that we in turn will have to pay for these further advantages in terms of tariff changes in Canada. As I say, our objectives are far more complex than the simple proposition with which the hon. member prefaced his question.

Mr. Murta: Mr. Speaker, I realize the objectives are more complex than I stated in my question. However, I wanted to see if I could put that particular feeling on the record in the time available to me. Is Canada still pressing ahead with its sector negotiations and will the United States support Canada's position in pressing for sector talks?

[Mr. Lalonde.]

Mr. Macdonald (Rosedale): Mr. Speaker, Canada has indeed put forward a proposal of these specific sectors which might be the basis for negotiations as opposed to across the board tariff cuts. The procedures to be followed not only by Canada but other countries in the multinational trade negotiations are still under negotiation. In other words, there is not yet an agreement on rules. It is too early to say whether the United States or any other country will give that support. I think it is fair to say there is a very full understanding of Canada's position in this regard.

DATE WHEN GATT TALKS LIKELY TO BE COMPLETED

Mr. Jack Murta (Lisgar): Can the minister say when he expects the GATT talks going on at Geneva to be completed? Some months ago it was thought that the end of 1978 might be the final date for the completion of the talks and we would move into the new economic order in the early eighties. Is this still the timeframe being looked at or will the talks possibly go as late as 1980?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I hope they can be brought to an end before 1980. However, given the experience in the Kennedy and Tokyo rounds up to this point, I think the expectation indicated in Puerto Rico that they would be finished in 1977 is now realized as being unrealistic. Perhaps 1978 may be optimistic.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a question of privilege. I have asked the Minister of State (Multiculturalism) (Mr. Guay) a couple of questions in the last month or so since he has assumed the office. He undertook to write me a letter showing that the government has a permanent policy on multiculturalism. On May 2, 1977, as reported at page 5171 of *Hansard*, he said:

● (1500)

It will take me the better part of about an hour to give all the details the hon. member is requesting. If you will permit me to do so, Mr. Speaker, I will be glad to give them to him. If not, I will give them to him in writing.

I just wanted to ask the minister today whether he really has a policy and, if so, how long must those who are neither Anglophone nor Francophone in this country have to wait until they learn what it is. Will they have to wait until the next election?

Some hon. Members: Hear, hear!

Hon. Joseph-Philippe Guay (Minister of State (Multiculturalism)): The reason I did not answer the hon. member is this: he is making a farce of this important subject. That is why I demanded to know yesterday where the hon. member's party stands with regard to multiculturalism.

Mr. Paproski: Where do you stand?

Mr. Guay (St. Boniface): Everybody in this House knows what our policy is with regard to multiculturalism. If the hon. member wishes to have additional information I am quite

prepared to meet with him at any time and explain anything he wants to know in relation to the multiculturalism policy because if he is that far behind I believe I should spend a lot of time with him explaining what is going on in my department.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT—WITHDRAWAL OF BILL C-6 FROM STANDING COMMITTEE

Mr. Baker (Grenville-Carleton): May I ask the government House leader the usual question as to forthcoming business? I do not know whether he is in a position today to designate opposition days, but if he is not perhaps he could do that a little later. Could he tell us, though, what the government business is for today and subsequent days?

Mr. MacEachen: We shall continue today with the third reading of the bill on metric conversion. After that, certainly beginning tomorrow at the latest, we shall call Bill C-6 having to do with diplomatic immunities. Depending on the outcome of a proposal I shall make to the House in a few moments, we shall then go on with Bill C-3 in relation to Deposit Insurance, Bill C-36 on motor vehicle safety which, I understand, we can deal with through at least the second reading and committee stages, and Bill C-40, the aeronautics bill, which I understand we can also deal with in all stages at least up to third reading, tomorrow.

As hon. members are aware, Bill C-6 is presently before the standing committee. If I am given consent I should like to make a motion to withdraw the bill from the committee so that it can be referred to committee of the whole and dealt with here tomorrow, hopefully through third reading.

Mr. Baker (Grenville-Carleton): On behalf of the Official Opposition, I consent.

Mr. Knowles (Winnipeg North Centre): There are some comments I wish to make later but I rise to indicate our agreement with the proposal regarding Bill C-6.

Mr. MacEachen: May I, then, move:

That Bill C-6, an act respecting diplomatic and consular privileges and immunities in Canada be withdrawn from the Standing Committee on External Affairs and National Defence and be referred to the committee of the whole.

Mr. Speaker: The motion can only be put by unanimous consent. Is there consent?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The House has heard the motion proposed by the President of the Privy Council. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): With regard to the business announced for today and tomorrow, there is a comment I should like to make. I have no objection to the bills he has called but I object very strenuously to his continuing refusal to call Bill C-30 which has to do with the Holidays Act. Some weeks ago the minister gave us a list of the bills he wanted passed before the end of the session. By implication, this left a number of bills which were not considered important. Bill C-30 was on the "wanted" list. In the last few days we have dealt with a number of bills which were on the "unimportant" list, while the government refuses to call Bill C-30. I suggest that instead of scraping the barrel the hon. gentleman should bring forward Bill C-30 and let us see whether we can do something about the proposals it contains.

Mr. MacEachen: I believe the division of bills into categories of wanted and unwanted is quite unwarranted. I have not refused to call Bill C-30. I have explained to the hon. member that the moment has not yet arrived. The occasion is not right to call that bill. It may occur later in the session.

Mr. Baker (Grenville-Carleton): One question to clarify a statement made earlier by the minister. Is it his intention to call Bill C-6, that is the diplomatic privileges bill, as the first item of government business tomorrow in any event?

Mr. MacEachen: Yes, Mr. Speaker, except that if we conclude the debate on the metric conversion bill we would have to consider what business from the list I have given we would call later in the day. Otherwise, that list will be in place tomorrow beginning with the diplomatic privileges measure.

Mr. Knowles (Winnipeg North Centre): I should like to make a comment on one other point. The House leader for the Official Opposition made reference to the opposition days which remain. Perhaps by tomorrow we can reach an understanding as to which day might be designated next week for us. We would like it to be Thursday, June 16. I understand there is some objection to that day because it would mean the loss of the private members' hour. Discussions are taking place as to whether that private members' hour might be shifted or whether something else might be done along those lines. But I hope it can be Thursday, June 16, without the loss of the private members' hour. Obviously the designation cannot be made today but at least the House now knows what is in store.

Mr. MacDonald (Egmont): Mr. Speaker, I understood yesterday there was agreement in the House that after the minister made his statement on the North-South Conference there would be an opportunity for a limited time to direct questions to the Minister. I was wondering whether this would be an appropriate time at which to proceed along those lines.

Mr. Speaker: If the House were to agree perhaps we could go ahead with the questions customarily allowed at the end of a ministerial statement. We might do that on orders of the day. Is that agreed?

Some hon. Members: Agreed.

Petitions

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

TABLING OF REFERENCE TO ADMINISTRATOR FOR SOURIS VALLEY SCHOOL DIVISION NO. 42

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am now in a position to table a reference to the Administrator under the Anti-Inflation Act with respect to the Souris Valley School Division No. 42.

● (1510)

Mr. Speaker: This being the customary time to receive petitions, there is some obvious indication of the intention of some members from Newfoundland to table at this time petitions in rather impressive numbers. In order of seniority of entrance into the House—I have some concern about the first two though I am more clear about the last two—and without trying to decide whether the ridings should be announced in alphabetical order or otherwise, the four members are the hon. member for St. John's East (Mr. McGrath), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) and the hon. member for St. John's West (Mr. Crosbie): I understand they now have petitions to table which will be received in the usual way.

* * *

FISHERIES

PRESENTATION OF PETITIONS REQUESTING GREATER PROTECTION FOR SEALERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, pursuant to the provisions of Standing Order 67, I wish to present a petition on behalf of my constituents praying that greater protection be given through law to sealers by amending the Fisheries Act and regulations, wherefore it would be an offence for any person in any vehicle or aircraft or boat to come within a defined sealing area without a permit from the Minister of Fisheries.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I too, in order of seniority, wish pursuant to the provisions of Standing Order 67 to present a petition signed by 15,536 citizens of Humber-St. George's-St. Barbe, praying that greater protection be given through law to sealers by amending the Fisheries Act and regulations, and that all ways and means of tightening the Fisheries Act and sealing regulations to give adequate support and protection to sealers be explored.

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I want also to present a petition on behalf of the constituents of Grand Falls-White Bay-Labrador, to the effect that the law be tightened in order to give greater protection to sealers, and to keep away from the sealing area those who are not going there with a bona fide purpose but simply to interfere with people in the lawful carrying out of their work.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, pursuant to Standing Order 67 I should like to present a petition to the House, 1,871 petitions from 6,024 Newfoundlanders in St. John's West to the same effect, asking for protection for our sealers from publicity seekers and scandal mongers.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,269, 1,734, 1,792, 1,794, 1,796, 1,824, 1,854, 1,855, 1,879, 1,958, 2,476 and 2,645.

[*Text*]

NUMBER OF WORK PERMITS ISSUED FOR DOMESTIC HELP

Question No. 1,269—**Mr. Epp:**

1. How many work permits were issued for domestic help for the year (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975?

2. In each case, what was the citizenship, by country, of persons granted work permits as domestics in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975?

3. Are working conditions and offers of remuneration considered before work permits are granted and, if so, what are the criteria used?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. (a), (b) and (c) N/A. Work permits were not introduced until 1973. (d) 3,512. (e) 5,903. (f) 9,154.

2. (a) N/A; (b) N/A; (c) N/A; (d) England 519, Austria 14, Belgium 1, Denmark 35, Finland 23, France 91, Germany (West) 126, Greece 19, Hungary 3, Irish Republic 10, Italy 7, The Netherlands 19, Norway 5, Poland 39, Portugal 71, Spain 14, Sweden 37, Switzerland 100, U.S.S.R. 1, Yugoslavia 6, Turkey 1, Romania 2, Egypt 4, South Africa, Rep. of 6, Algeria 1, Kenya 1, Morocco 4, Tunisia 2, Gambia 1, Ghana 1, Malagasy Rep. (Madagascar) 1, Nigeria 11, Sierra Leone 1, Sri Lanka 2, Formosa (Taiwan) 5, India 19, Israel 7, Lebanon 6, Japan 28, Pakistan 8, Syria 1, Indonesia 1, Philippines 18, Malaysia, Fed. of 4, Singapore 3, Afghanistan 1, Korea South 1, Thailand 3, Vietnam South 6, Other Asia N.E.S. 1, Australia 22, New Zealand 6, U.S.A. 138, Mexico 17, Costa Rica 3, El Salvador 22, Guatemala 13, Honduras 2, Nicaragua 3, Panama 1, Jamaica 1258, Trinidad & Tobago 210, Barbados 57, Anguilla 3, Antigua 7, Dominica 10, Grenada 25, St. Kitts 3, St. Lucia 7, St. Vincent 27, Dominican Republic 3, Haiti 134, Argentina 12, Brazil 6, Guyana 139, Chile 11, Columbia 20, Peru 17, Uruguay 3, Venezuela 9, Bolivia 1, Ecuador 25, Mauritius 1, Stateless 7. (e) England 1402, Austria 25, Belgium 5, Czechoslovakia 1, Denmark 42, Finland 13, France 163, Germany (West) 107, Greece 20, Hungary 4, Irish Republic 25, Italy 11, The Netherlands 41, Norway 14, Poland 71, Portugal 107, Spain 22, Sweden 58,

Switzerland 227, Yugoslavia 9, Turkey 1, Liechtenstein 1, Egypt 6, Rhodesia 1, South Africa, Rep. of 9, Algeria 1, Kenya 1, Morocco 1, Tunisia 1, Benin-People's Rep. of (formerly Dahomey) 1, Ethiopia 5, Ghana 2, Ivory Coast 1, Malagasy Rep. (Madagascar) 1, Mauritania 1, Nigeria 11, Rwanda 2, Senegal 1, Sudan-Democratic Republic of the 1, Upper Volta 1, Sri Lanka 5, China, People's Rep. of 5, India 35, Israel 13, Japan 45, Lebanon 6, Pakistan 8, Iran 3, Philippines 44, Malaysia, Fed. of 10, Singapore 2, Korea South 3, Thailand 11, Australia 47, New Zealand 21, Australasia N.E.S. 1, U.S.A. 165, Mexico 48, Vietnam South 3, Costa Rica 1, El Salvador 39, Guatemala 7, Honduras 2, Nicaragua 3, Panama 1, Jamaica 1725, Trinidad & Tobago 381, Barbados 122, Antigua 18, Dominica 9, Grenada 67, St. Kitts 2, St. Lucia 23, St. Vincent 46, Cuba 1, Dominican Republic 3, Haiti 191, West Indies N.E.S. 2, Argentina 3, Brazil 8, Guyana 142, Chile 20, Columbia 38, Peru 19, Uruguay 4, Venezuela 5, Bolivia 4, Ecuador 26, Mauritius 9, Stateless 10. (f) England 2120, Austria 35, Belgium 7, Czechoslovakia 1, Denmark 70, Finland 19, France 204, Germany (West) 279, Greece 36, Hungary 4, Irish Republic 44, Italy 23, The Netherlands 70, Norway 11, Poland 92, Portugal 162, Spain 24, Sweden 72, Switzerland 387, Yugoslavia 12, Turkey 4, German Democractic Rep. (East) 5, Iceland 1, Liechtenstein 1, Egypt 8, South Africa, Rep. of 16, Algeria 1, Morocco 1, Tunisia 2, Ethiopia 6, Ghana 8, Mauritania 3, Nigeria 7, Rwanda 2, Senegal 2, Sudan-Democratic Rep. of the 2, Upper Volta 1, Sri Lanka 28, China, People's Rep. of 6, Formosa (Taiwan) 5, India 53, Israel 16, Japan 31, Lebanon 7, Pakistan 7, Syria 5, Cyprus 2, Indonesia 6, Iran 6, Jordan 1, Philippines 81, Malaysia, Fed. of 10, Singapore 2, Korea 1, Korea South 2, Nepal 3, Thailand 10, Australia 56, New Zealand 24, Australasia N.E.S. 1, U.S.A. 159, Mexico 79, Costa Rica 4, El Salvador 32, Guatemala 12, Honduras 8, Nicaragua 9, Panama 4, Jamaica 2760, Trinidad & Tobago 664, Barbados 103, Anguilla 1, Antigua 27, Bahamas 14, Dominica 30, Grenada 132, St. Kitts 6, St. Lucia 36, St. Vincent 68, Dominican Republic 14, Haiti 317, West Indies N.E.S. 11, Argentina 5, Brazil 20, Guyana 287, Chile 30, Columbia 37, Peru 33, Uruguay 2, Venezuela 7, Bolivia 7, Ecuador 13, Fiji 1, Mauritius 11, Stateless 26.

3. A work permit will be authorized only after the working conditions and attendant salary are carefully considered. These factors must conform to normal standards for the area, and must be sufficient to interest qualified Canadians if available.

LOANS FOR SEWAGE TREATMENT PROJECTS

Question No. 1,734—**Mr. Herbert:**

By province, since 1974, what amount of loans was approved for sewage treatment projects and, in each case, what is the federal forgiveness of loan principal and/or interest?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Regional Economic Expansion is concerned: Since 1974, the department has approved loans of $438,404 (Manitoba) and $260,565 (Saskatchewan) for sewage treatment projects under the Agricultural Services Centres Programme. The federal forgiveness of loan principal and/or interest in all cases is nil.

In so far as Central Mortgage and Housing Corporation is concerned: See Table 1 following.

Table 1
Loans Approved for Sewage Treatment Projects, NHA Section 51
by Province, 1974-1976

	1974[1]			1975[1]			1976[2]		
	Number	$000	Forgiveness[3] $000	Number	$000	Forgiveness[3] $000	Number	$000	Forgiveness[3] $000
Newfoundland	7	2,365	85	25	3,838	399	25	6,784	215
Prince Edward Island	7	1,771	348	2	88	11	1	118	340
Nova Scotia	25	5,187	604	30	9,510	1,601	33	6,355	2,645
New Brunswick	17	7,248	684	21	10,059	362	28	8,634	1,373
Quebec	98	74,260	2,766	86	75,750	2,809	117	106,865	5,367
Ontario	119	87,082	6,988	98	61,221	12,810	107	94,352	16,300
Manitoba	25	7,962	118	18	7,092	1,276	22	4,549	1,032
Saskatchewan	15	2,067	95	8	1,266	52	14	2,319	824
Alberta	46	8,452	1,321	—	[4]–302	1,332	22	4,871	2,866
British Columbia	32	21,367	4,085	27	15,350	5,238	36	20,650	6,178
Northwest Territories	—	[4]–7	53	1	133	—	—	—	—
Yukon Territory	—	—	—	—	—	—	—	—	—
Canada	391	217,754	71,147	316	184,005	25,830	405	255,497	37,140

[1] Data are net.
[2] Data are gross.
[3] Determined when a loan is fully advanced and placed on repayment.
[4] Reduction in a loan initially approved in an earlier year.

Order Paper Questions

APPLICATION OF BEOTHIC BROADCASTING FOR LICENCE TO OPERATE AM RADIO STATION

Question No. 1,792—**Mr. Crosbie:**

1. Was an application made to the Canadian Radio-Television Commission by Mr. Colin Jamieson of St. John's, Newfoundland on behalf of a company to be incorporated to be known as Beothic Broadcasting for a licence to operate a 25,000 Watt AM radio station in St. John's on a frequency of 850 and, if so (a) on what date was it first received by the CRTC (b) did any revisions have to be made in it before acceptance and, if so, on what date was the revised application received (c) on what date was the hearing now set for March 1, 1977 before the CRTC first advertised in the (i) Canada Gazette (ii) newspapers circulating in the general area of St. John's, Newfoundland?

2. Does CRTC have established policies to ensure competition and widely held ownership in the radio and TV media in Canada and the provinces and, if so, what are they?

3. Does CRTC attempt to prevent corporate concentrations of ownership and family concentrations of ownership in the field of licensing radio and TV stations and, if so, what is the policy and how is it applied?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): The Canadian Radio-television and Telecommunications Commission (CRTC) has submitted the following: 1. Yes. (a) November 4, 1976; (b) The application as such was not revised and resubmitted. Additional information was requested and received to be added to the application. Any application may be revised at any time prior to gazetting. (c) (i) January 24, 1977; (ii) February 1, 1977.

2. Anyone can apply to establish a broadcasting undertaking. Persons wishing to apply are reminded of certain eligibility requirements laid down by the Governor-in-Council (in P.C. 1969-02229 and as amended in P.C. 1972-1569). The commission would consider any application meeting these eligibility requirements. The commission has asked for applications from anyone meeting these requirements to establish: (a) third TV services in various locations (Vancouver, Edmonton, Montreal, Quebec). (b) Cable systems in many areas. (c) FM stations following the FM policy.

3. The commission has frequently expressed the view that while the Canadian Broadcasting system will of necessity contain a certain number of large units, there must be maintained within it a degree of diversity of ownership etc. This view is expressed in commission's decisions CRTC 72-316 and CRTC 68-39.

CJON RADIO AND TV STATIONS OWNED AND OPERATED BY NEWFOUNDLAND BROADCASTING COMPANY LTD.

Question No. 1,794—**Mr. Crosbie:**

1. How many (a) radio (b) TV stations of CJON Radio and Television Network owned and operated by Newfoundland Broadcasting Company Limited are licensed and operate in Newfoundland and Labrador and where are they located?

2. How many FM radio station licences have been issued to CJON Radio and TV Network or to the Newfoundland Broadcasting Company Limited or whatever company or companies control the CJON network?

3. Who are the owners of the issued shares of the Newfoundland Broadcasting Company Limited or whatever company or companies own and control and operate the CJON Radio and TV Network and if the shares are held in the name of a trustee or trustees who are the beneficial owners?

4. How many shares of the Company or companies are owned (a) by Mr. Geoffrey Stirling (b) beneficially by the Honourable Donald Jamieson?

[Mr. Goodale.]

5. Is Colin Jamieson the owner of any share or shares in the Company or companies?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): The Canadian Radio-television and Telecommunications Commission (CRTC) has submitted the following: 1. (a) Five (AM) radio undertakings; (b) 22 TV undertakings; AM radio undertakings: CJCR Gander, CJOX Grand Bank, CJCN Grand Falls, CJON St. John's, CJNW Musgravetown; TV undertakings: CJAP-TV Argentia; CJCV-TV Clarenville; CJLW-TV Deer Lake; CJOX-TV-1 Grand Bank; CJWN-TV-6 Irishtown; CJMA-TV Marystown; CJPQ-TV Port-aux-Basques; CJRR-TV Red Rocks; CJON-TV St. John's; CJON-TV-4 St. John's; CJSV Stephenville; CJWB-TV Bonavista; CJWN-TV Corner Brook; CJGN-TV Gander; CJCN-TV Grand Falls; CJLN-TV Lawn; CJWN-TV-5 Pasadena; CJRA-TV Ramea; CJST-TV St. Albans; CJON-TV-5 St. John's; CJSH-TV St. Shotts; CJSC-TV Swift Current.

2. Nine FM licences have been issued to Newfoundland Broadcasting Company Limited.

3. G. W. Stirling, G. Scott Stirling, Alan Waters and A. C. Lloyd Hudson hold the issued shares, however, the share issued to G. Scott Stirling is beneficially owned by G. W. Stirling and the shares held by A. Waters and A. C. Lloyd Hudson are held in trust for the Honourable Donald Jamieson.

4. (a) 152 shares; (b) 148 shares.

5. No.

CABLE TV OPERATORS AND COMPENSATION TO CJON RADIO AND TV NETWORK IN NEWFOUNDLAND

Question No. 1,796—**Mr. Crosbie:**

1. Did the CRTC announce a decision that cable TV operators are required to pay 25 cents to the CJON Radio and TV Network in Newfoundland as compensation for each person hooked up to the system and, if so, what are the reasons for the decision?

2. Was a decision made by CRTC to award FM radio station licences to the CJON Network and, if so (a) on what date (b) how many licences were awarded (c) were all the licences issued to the owners of the CJON Radio and TV Network and, for what reasons?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): The Canadian Radio-television and Telecommunications Commission (CRTC) has submitted the following: 1. The commission granted monthly subscriber fees which would include a subsidy to the off-air broadcaster (25 cents per subscriber per month when 15,000 subscribers are attained and for five years thereafter.) However, this portion of the fee may only be charged to the subscriber at such time as the licensee actually transfers these funds to the broadcasters—This applies to the St. John's and Corner Brook licensees. (It should be noted that the 25¢ per subscriber per month was proposed by the applicant and subsequently approved by the Commission).

2. Yes. (a) Decision CRTC 76-735 dated October 4, 1976; (b) Nine licences; (c) Yes, a Public announcement dated July 4, 1975 called for applications of FM licences for the Mari-

times and Newfoundland. Only Newfoundland Broadcasting Company Limited and David Ruskin, representing a company to be incorporated, applied and were successful.

EDUCATION OF INDIAN STUDENTS IN PROVINCIAL SCHOOLS

Question No. 1,824—**Mr. Smith (Churchill):**

1. What is being done to ensure that provincial schools are providing the best possible education for the approximately 37,000 Indian children in their schools?

2. How many Indian students have graduated from provincial high schools in the past 10 years and how many lived at home and commuted to nearby provincial schools?

3. At what level is the drop-out rate the greatest in schools (a) on reserves (b) off reserves attended by Indian children who commute from home daily?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): 1. The department has taken a number of steps to ensure that provincial schools are providing the best possible education for Indian children attending provincial schools. These steps include (a) the introduction of tuition agreements between the Department and individual school boards negotiated with the full participation of the Indian bands whose children attend the schools. These tuition agreements provided for special educational needs as indicated by the parents of the children. The special services provided under these agreements are varied but include such curriculum areas as language training, cultural curriculum content related to the background of the Indian children, Indian history, etc. (b) The Department is regularly providing provincial school boards with information regarding the sources of materials which they can include in their school program, their libraries, etc. For example, the Department has compiled lists of books written for, by or about Indians and made these lists available to provincial school boards and other interested parties. (c) In the provinces of Manitoba and New Brunswick general agreements between this Department and the provincial Departments of Education have been entered into covering the attendance of Indian children in the schools of those provinces. The agreements were drawn up with the full participation of the provincial Indian organizations. In the case of Manitoba the agreement is re-negotiated annually and the Manitoba Indian Brotherhood is a third party signatory to the agreement. (d) In British Columbia a general agreement between the Department and the Provincial Department of Education has been in effect since 1969 but is currently under review by the Provincial Department, the Indians of British Columbia and this Department—the review being for the purpose of finding a vehicle for the delivery of special programs to meet the special needs of Indian children attending provincial schools there.

2. The Department does not maintain records in such a manner to permit a complete response to this question. We can only indicate that the enrolment of Indian students at the high school level has been increasing at the rate of approximately 8.6% annually. This figure applies to Indians in attendance at all high schools and includes those who commute and those who board away from home for school attendance purposes. The figures for those who commute are not segregated in our records.

3. We do not have accurate information, but from the material which we have reviewed and from discussions with the regions, it is estimated that the drop-out rate by Indian students from all schools is greatest at the grade 9 level.

COMMUNICATIONS FROM SECRETARY OF STATE FOR EXTERNAL AFFAIRS TO CRTC

Question No. 1,854—**Mr. Crosbie:**

1. Has the Chairman or any member of the Canadian Radio-Television and Telecommunications Commission received any communications from the Secretary of State for External Affairs since January 1, 1976, whether written or verbal and, if so, in each case (a) what was the date of the communication (b) was it in writing or verbal (c) what was the nature of the representation?

2. Has the Chairman or any member of the Commission received any submissions or suggestions or representations from the Secretary of State for External Affairs since January 1, 1976 with reference to radio or television broadcasting or communications in Newfoundland, cable television or any other matter relating in any way to the radio-television and telecommunications field in the Province of Newfoundland and Labrador and, if so, in each case (a) on what date (b) what was the nature of the submission or representation (c) to whom was it addressed?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): In so far as the Canadian Radio-television and Telecommunications Commission is concerned: 1 and 2. No.

LICENCE TO CJON TO OPERATE RADIO STATION AT GANDER UNDER LETTERS CJCR

Question No. 1,855—**Mr. Crosbie:**

1. Was a licence issued by the CRTC to the Radio and Television Network CJON in Newfoundland for the operation of a radio station at Gander, Newfoundland under the letters CJCR and, if so (a) on what date (b) was it subject to any conditions and what were they?

2. Was it a condition of the issuance of any licence to operate a radio station at Gander, Newfoundland by CJON that it establish a studio in Gander for local programming by CJON?

3. (a) Is Radio Station CJCR still on the air in Gander, Newfoundland carrying radio transmission from Radio Station CJCN in Grand Falls (b) did the Gander studio CJCR close and, if so, on what date (c) did local programming from Gander by CJCR cease and, if so, on what date?

4. Is Radio Station CJCR of Gander, Newfoundland now operating in accordance with the conditions that govern the issuance of its licence to operate?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): The Canadian Radio-television and Telecommunications Commission (CRTC) has submitted the following: 1. Yes. (a) July 27, 1973; (b) No special conditions other than those conditions that apply to all broadcasting undertakings.

2. No.

3. (a) CJCR Gander is still on the air and is licenced to receive its programming part-time from its own studio at Gander, and part-time from studios at St. John's, and Grand Falls. (b) Not that we are aware; (c) Not that we are aware.

4. Yes, as far as we are aware.

07993

Order Paper Questions

ENVIRONMENTAL CONTAMINANTS ACT

Question No. 1,879—**Mr. Brisco:**

1. (a) How many employees were hired to manage the Environmental Contaminants Act (b) how many are on the payroll at present (c) where are they located?

2. (a) How many employees are classified as Inspectors (b) where are they located (c) how many companies are reporting or have reported to the proper authorities under the Act?

3. (a) How many charges have been laid under the Act (b) for what reason were the charges laid (c) what were the general nature of the complaints?

4. (a) What was the total additional cost to the Department for salaries (b) what is the salary breakdown?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Departments of Fisheries, the Environment and National Health and Welfare are concerned: 1. (a) Since proclamation of the Environmental Contaminants Act on April 1, 1976, thirteen employees have been hired to manage the Act. (b) There are 29 employees in the Environmental Protection Service engaged directly in the management of the Environmental Contaminants Act. Under other authorities in DFE (e.g. Fisheries Act, Migratory Birds Convention Act), approximately 230 employees are engaged for part of their time in activities (e.g. research, monitoring) which are related to the needs of the Environmental Contaminants Act. (c) Eighteen of the 29 EPS employees are at Ottawa and the remaining 11 are located at the five regional EPS offices in Halifax, Montreal, Toronto, Edmonton and Vancouver. The other 230 DFE employees engaged in related activities are located at 29 offices and laboratories across Canada. In Health and Welfare no additional employees were hired to manage the Environmental Contaminants Act. Implementation of the Act is effected by officials of the Environmental Health Directorate in the course of their responsibilities to protect the public health in the light of environmental concerns. Departmental officials are members of the Environmental Contaminants committee which meets regularly.

2. (a) Action is now underway to designate inspectors prior to the promulgation of the first Environmental Contaminants Act Regulations. (b) N/A. (c) Seventy Companies have reported, as required by subsection 4(6) of the Act, an involvement for the first time with 340 products. Approximately 150 of these products are chemical compounds.

3. (a) No charges have been laid under the Act. (b) N/A. (c) N/A.

4. (a) The annual cost to the Department of Fisheries and the Environment for salaries for the thirteen additional employees is $250,000. (b) The salary breakdown is: Professional staff, $182,000; Support staff, $68,000.

PEACE AND SECURITY PROGRAMME

Question No. 1,958—**Mr. Woolliams:**

1. What components of the Peace and Security Programme are comprised in the Solicitor General's Police Prescriptive Packages for Crime Prevention?

2. What sources were consulted for the information that makes up, or that will make up the information included in the packages?

[Mr. Milne.]

3. What is the complete subject complement of the packages and how many of the subjects (a) are now prepared (b) are being prepared (c) have been mailed to law enforcement agencies?

Hon. Francis Fox (Solicitor General): 1. Under the Peace and Security Programme, funds for the research development and implementation of prescriptive packages were provided. In addition, funds were allocated to hire a national consultant who would assist local police authorities in the implementation of prescriptive policing programmes.

2. The Secretariat Steering Committee on preventive policing has relied on the expertise of the national consultant on preventive policing, who is seconded to the Ministry from the Vancouver City Police Department, the Officer in Charge, Crime Prevention Centre, RCMP and the Chairman, Crime Prevention Committee, Canadian Association of Chiefs of Police. Further consultation will be undertaken with the Ministry Advisory Board on Preventive Policing. In addition to the RCMP and the CACP, the Canadian Police College, and the Canadian Police Association are represented on the Advisory Board.

3. The Steering Committee is currently in consultation with the Crime Prevention Centre, RCMP and the Crime Prevention Committee, CACP, on the question of which preventive policing programmes are to be given priority. Tentative preferences indicate a high priority being given to (i) Police/Community Relations, (ii) Operation Identification (iii) Family Crisis Intervention, (iv) Counter-Vandalism, (v) Team Policing. (a) Of the programmes referred to above, the Committee has received a first draft of Operation Identification. (b) Other programmes must await further confirmation by the RCMP and CACP. Confirmation is expected shortly. (c) No programmes have been distributed to police forces at this date.

CONSTRUCTION OF HOSTEL FACILITIES FOR SENIOR CITIZENS ON OLD STADIUM PROPERTY, MONCTON, N.B.

Question No. 2,476—**Mr. Jones:**

1. Has the government or any department or agency been contacted with respect to funding construction for hostel facilities for senior citizens on the old Stadium property, St. George Street, Moncton, New Brunswick and, if so, were representations made by the New Brunswick Housing Corporation, the Provincial Government, the Moncton City Council and, if not, by whom and what are the details?

2. Have representations been made to the government or any department or agency, for any development for senior citizens on the Stadium property and, if so, by whom and what are the details?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by Central Mortgage and Housing Corporation, the Departments of National Health and Welfare and Urban Affairs as follows: Nil.

TRANSPORTATION OF FEED GRAINS

Question No. 2,645—**Mr. Lambert (Bellechasse):**

For the fiscal year (a) 1975-76 (b) 1976-77, what amounts were paid in subsidies for the transportation of feed grain in (i) British Columbia (ii) Quebec (iii) the Maritimes?

Hon. E. F. Whelan (Minister of Agriculture):

(a)	1975-76	(b)	1976-77
(i)	$ 2,997,648	(i)	$2,060,132
(ii)	10,169,825	(ii)	5,125,422
(iii)	4,007,763	(iii)	3,904,128

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions No. 1699 and 1795 could be made orders for return, these returns would be tabled immediately.

[*Text*]

1975-76 ANNUAL REPORT OF DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Question No. 1,699—**Mr. MacDonald (Egmont):**

1. Does the 1975-76 Annual Report of the Department of Industry, Trade and Commerce state that the Department has "encouraged specialization in high-technology, sophisticated manufacturing" and, if so, what percentage of the budget for research has gone towards encouraging labour intensive, smaller-scale technologies appropriate to the development needs of Atlantic Canada?

2. Apart from seed potato promotion, what new marketing efforts has the Department undertaken to assist products solely or primarily produced in (a) the Atlantic provinces (b) Eastern Quebec?

3. What percentage, by region, was spent in each of the past three years under the (a) Promotional Projects Programme (b) Programme for Export Market Development (c) Programme to Enhance Productivity?

4. What percentage of the value of Canadian exports to (a) the USA (b) all other countries, came from the Atlantic Region?

Return tabled.

RADIO STATIONS OPERATING IN NEWFOUNDLAND AND LABRADOR

Question No. 1,795—**Mr. Crosbie:**

What are the names and locations of each (a) AM radio (b) FM radio (c) TV station operating in Newfoundland and Labrador and, in each case, who is the owner and, if any are owned by limited liability companies, what are the names of the shareholders of each?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 1,923?

[*Text*]

*SOCIAL DEVELOPMENT AND CITIZEN PARTICIPATION

Question No. 1,923—**Mr. Fairweather:**

1. Is consideration being given to reducing or ending the financial commitment to encourage social development and citizen participation?

2. Does the Secretary of State agree that through citizen participation and voluntary initiative, voluntary organizations help strengthen Canadian unity?

3. How does the Department of the Secretary of State reconcile the objective of strengthening national unity while de-emphasizing the encouragement of voluntary action?

[*English*]

Hon. John Roberts (Secretary of State): 1. No. A task Force has recently terminated its examination of departmental objectives, programs and structures and although no final decision has yet been taken with respect to its recommendations, the report does foresee continued support for and reliance on the voluntary sector to enable the department to achieve its objectives.

2. See Beauchesne No. 171 (w) and (bb).

3. See reply 1.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Mr. Cossitt: Mr. Speaker, on Tuesday I rose in the House to draw attention to the fact that questions 29, 30, 41 and a number of others pertaining to the use of government aircraft for private and political purposes by members of the cabinet had not been answered. I drew attention to the fact that I had risen on this matter a number of times without gaining any reply. I ended my remarks by asking whether the parliamentary secretary would please give an indication at that time when these questions would be answered. His reply does not appear in *Hansard* and I feel it must be an error of some sort, but he replied very clearly, as heard by all members on this side of the House, in these words: "When the member for Leeds becomes civil".

It occurs to me, Mr. Speaker, that questions in this House asked by members of the opposition should be answered in the interest of parliament and the Canadian people not on the basis of what the government happens to think politically of a member of the opposition. This destroys the whole purpose of asking questions in the House. Questions should be answered when the information is ready. This information should not be withheld from public and from parliament, Mr. Speaker, simply because somebody over there does not like somebody over here. I think that is a pretty invalid excuse. If that is the way things are going to continue, then I think it explains exactly why so many questions stand on the order paper unanswered for so many months. I think it is high time something was done in this House to bring to a head the fact that questions are outstanding for a year, some going on for two years, including the ones to which I am referring. Obviously, the government has the information and has had plenty of time to compile it. It can only be withholding the information because it is politically embarrassing. I think it is a very

poor excuse; the government should follow proper parliamentary process.

Mr. Goodale: Mr. Speaker, the gratuitous explanation which the hon. member has just given as to his imagined reasons why the answers to those particular questions have not yet been forthcoming in the House is just that—gratuitous and imagined. I think it is important to note that on the final day of the last session of this parliament we were in a position to provide responses to, I believe, nearly 600 questions on the order paper. On that day last fall I rose in my place and asked for the required unanimous consent to allow us to provide the answers to these questions; that unanimous consent was denied notably by the hon. member for Leeds. As a result, those questions could not be answered at that time.

It has been suggested that that really did not cause very great difficulty because all we needed to do was take a little correcting fluid and change the dates and the numbers of the questions, xerox them all over again and produce them in the House a few days later. This process, as those who have preceded me in the position of parliamentary secretary know, is not that simple; it does require that the questions be reprocessed. It is significant that most of these questions are not simple one-line questions requiring simple one-line answers. In many cases they are multiple part questions which are directed not just to one minister or to one agency but possibly to 40 or more agencies. We do require some time to reprocess and update these answers, to make the changes in the timeframe required so as to make sure the answers are complete and accurate in every respect. So it is not a simple job of xeroxing.

As I pointed out in the House last fall, the fact that the answers could not be given on the last day of the last session probably cost, in terms of manpower and office and clerical time, something in the order of $170,000 to process the questions again. Many of these questions appeared on the order paper in the new session of parliament, along with some 2,300 new questions on the order paper. So we have a situation where there is a very substantial volume of work which has to be done.

If my memory serves me correctly, as at the beginning of this week something in the order of 2,700 questions had been asked in this session of parliament since it began last fall. It is significant that nearly 70 per cent of those questions have in fact been answered to this date, which leaves a small number outstanding at the moment. Many of the questions which are still outstanding appeared on the order paper only in the course of the last couple of weeks when many multiple part questions appeared on the order paper, adding to the list of questions which now have to be answered. There are not many in the category of questions outstanding for a lengthy period of time. I can assure Your Honour, the House and hon. members who have voiced their concern about this question today and in the past, that we are attempting to provide answers to all questions within the shortest possible time.

[Mr. Cossitt.]

• (1520)

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Order, please. The hon. member for Leeds (Mr. Cossitt) had the floor on a point of order.

Mr. Cossitt: Mr. Speaker, I rise to correct one thing said by the parliamentary secretary, which I believe is inaccurate in his quoting of my remarks.

Mr. Speaker: Order.

Mr. Cossitt: He has made a statement I did not make, and I feel I should have the right to correct it.

Mr. Speaker: That may be a matter of dispute between the parties, which can be taken up at some other time. Each has contributed to the point of order, and there is no machinery for the process to continue any farther than that.

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

Mr. Speaker: The hon. member for Leeds (Mr. Cossitt) on a question of privilege.

Mr. Cossitt: Mr. Speaker, with all due respect, I do not want to take any further time of the House, but I want to say that the questions I referred to were not the ones to which the parliamentary secretary referred. Therefore, I feel my remarks have been distorted.

Mr. Speaker: Order, order. The hon. member for Leeds is clearly taking up a disagreement with the hon. parliamentary secretary. That is a matter of debate and disagreement. It is not a matter of order and it is not a question of privilege.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Pursuant to the revised procedure for the month of June, I wish to inform the House that the questions to be raised at six o'clock p.m. are as follows: the hon. member for Toronto-Lakeshore (Mr. Robinson)—Health—Possibility of controlling use of tobacco; the hon. member for Pembina (Mr. Elzinga)—Central Mortgage and Housing Corporation—Basis on which funds distributed to provinces; and the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Inquiry whether disability pension will be restored to 1972 value.

The hon. member for Vancouver-Kingsway (Mrs. Holt) raised some time ago a question of privilege in regard to the release of certain information in connection with the work of the subcommittee on penitentiaries. At that time, I indicated it

might be opportune to leave that question until the report of the subcommittee on penitentiaries had been received here in the House. That report has been received, and I should like to indicate that I will be prepared to hear further discussion on the point from any members who wish to contribute. The most convenient time for doing that will be Tuesday upon orders of the day. Therefore, if there are any members who wish to contribute to that point before I make a decision on it, I will hear discussion on Tuesday at approximately three o'clock.

* * *

EXTERNAL AFFAIRS

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION—MINISTER'S STATEMENT

Mr. Speaker: Pursuant to the agreement made earlier today, we can now proceed with questions to the hon. President of the Privy Council (Mr. MacEachen) with respect to the statement he made yesterday. At the conclusion of these proceedings yesterday, I believe the hon. member for Gloucester (Mr. Breau) was about to ask a question.

Mr. Breau: Mr. Speaker, I have two questions for the hon. Minister which I will pose concurrently, if the Chair agrees. First, I would like to ask the minister if the $1 billion special action program will cover the demands or the requests of developing countries for better compensatory financing facilities, or will this be in the area of special direct assistance? If not, I would like to ask the minister, while there was no agreement on compensatory facilities, does he expect that the International Monetary Fund or other bodies, other than United Nations agencies, will be discussing this matter shortly?

My second question is in regard to the disagreement on adjustment assistance programs. This seems to be something which will be national in scope, and I am wondering what the nature of that disagreement was. Does it mean that western industrialized countries have not agreed as to the kind of adjustment program they would implement, or was there a disagreement between the developing countries and the developed countries on that point?

Mr. MacEachen: Mr. Speaker, the special action program in the amount of $1 billion, subscribed to by the industrialized countries, is not a form of compensatory financing. It is a rapidly dispersing outlay of funds through multilateral and bilateral channels in order to help the poorest countries and indirectly assist them with their debt problems.

On the question of compensatory financing, it is unfortunate that we did not reach an agreement on this question. We were very close to an agreement in the final stages of the conference. Even though the item is registered as disagreed, we were almost at agreement. The agreement was not possible because of difficulties which certain G8 members had with respect to the possible role of UNCTAD in the development committee of the International Monetary Fund. It indicates that an

assessment solely based upon the listing of agreed or disagreed items is not a very good way of looking at the results. In certain areas we did make a good deal of progress, although total agreement was not reached, and compensatory financing was one of them.

On the question of adjustment assistance, I must confess to a certain lack of knowledge on that question because I was not involved directly in the negotiations on adjustment assistance at any time. The general question which was dealt with in that particular negotiating group was adjustment in terms of the production of industrialized countries or the withdrawal from production of certain lines in industrialized countries in order to permit equivalent production to be undertaken in developing countries. It was not possible to reach agreement on that over-all question because of the difficulties that such a radical decision, taken at this stage, would have on the employment of developed countries. I am sure this is another item which will be continued in future dialogue between the North and South.

Mr. MacDonald (Egmont): Mr. Speaker, my question is related to the question posed by the hon. member for Gloucester (Mr. Breau) concerning the special action program. In view of the fact there has been a decline in our official development assistance in the past couple of years from .58 to .51, even in spite of the minister's own commitment in September of 1975 when the government was officially committed to reaching .7, can the minister indicate whether contribution through the special action fund will represent any kind of significant increase in our official development assistance? I would also like to know whether we made any further commitments or indicated whether we would attempt to reverse the present trend with respect to official development assistance?

Since the minister indicated that some of the items in the "not agreed" column were very close to agreement, such as compensatory financing, and since there is nothing specific in the communiqué about a follow-up, can he indicate what kind of follow-up might take place in light of his comments when he spoke directly to the Secretary of State for External Affairs concerning Canada playing a continuing lead in the North-South dialogue initiated in Paris? Can he indicate specifically what he had in mind and how that will take place?

Mr. MacEachen: Mr. Speaker, unfortunalety or fortunately, the conference on international economic co-operation terminated even though, at a certain stage in the closing of the conference, there was an increasing desire on both sides to continue the conference. In a few months or longer, it may be that we will all regret that the conference has not been maintained.

At the present time, the follow-up is taking place in one form, for example, at the heads of government meeting in London. There will be a session of the General Assembly of the United Nations this fall on development in which the results of this conference will be assessed. There will be a negotiating session in November, I believe, in Geneva on the common fund. Beyond that I do not have further details,

except, I believe, it would be a good thing for Canada to maintain its role, a leading role in this dialogue, I hope.

● (1530)

On the question of special action, the hon. member has raised some questions about Canada's commitment. As did most G8 countries at the conference, we have reaffirmed our decision to reach the 0.7 per cent target, and we also, as I recollect, undertook an annual increase in our aid budget. Hon. members should bear in mind that last year and in the current year we have increased the aid budget by more than $100 million, so that the budget now is in excess of $1,100 million. We will strive to maintain that in volume terms, and, as a matter of fact, by reaffirming our decision to reach the objective we will attempt, obviously, to reverse any further declines.

On the question of aid flows I hope it will not be overlooked that in the case of Japan, for example, that country undertook to double its aid flows in the next five years. The United States undertook to increase its aid flows substantially over the next several years. The two commitments from these two industrial powers represent a transfer of resources in the billions of dollars. These are all results of the Conference on International Economic Co-operation. I feel, therefore, that the industrialized countries, if their rather enormous efforts at the conference are not recognized, will be discouraged from making further additional efforts, and that is why I think it rather unfortunate that more recognition was not given in our communique to efforts that have been made by the western countries in the field of aid flows in the sense that it was somewhat revolutionary when we consider the state of play about three or four months ago.

Mr. Stanfield: Mr. Speaker, I would like to direct a question to the minister who has already given his best guess as to where the dialogue will go from here and how it will be conducted. I would like to ask the minister whether he would take some opportunity, if it is going to be his continued responsibility, to outline to parliament on some occasion this summer just what Canada's global approach to this problem of international disparity is, bearing in mind that direct aid is important and bearing in mind that, in my judgment, the expectations of the developing countries from commodity agreements are vastly inflated. They are likely to lead to considerable disappointment because I cannot imagine those agreements having the effect that any such countries might expect.

Bearing in mind also that so much of what transpires in the country depends on social structures and many other aspects, I would like to ask the minister whether it is not possible, even in our own country, to move from rhetoric to something more concrete. I do not minimize the difficulties of this because most of us realize the difficulty in dealing satisfactorily with regional disparity in our own country, but perhaps the minister could respond in this way. Are we not engaged to a very considerable extent in rhetoric in this international area? Admittedly some countries are paying large sums of money and doing something. Are we not engaged mostly in rhetoric and very little in concrete programs that would give some hope of substantially reducing international disparity?

[Mr. MacEachen.]

Mr. MacEachen: I agree that there has been a great deal of rhetoric in the field of international development. One of the advantages of this restricted but representative forum of 27 nations is that rhetoric has been considerably reduced, although there is still some. All through CIEC we have not heard much about apartheid or these other important political questions that have always come up in the discussion of north-south relations.

The hon. member asked when we will get down to concrete cases. I will name just a certain number of concrete situations or concrete results. There was a commitment on the part of all participants to support the common fund as a new entity and a key instrument in the field of commodity stabilization. That is concrete. There have been very concrete results in the field of food and agriculture, and there has been a new commitment to a decade of infrastructure in Africa, particularly in the field of transportation. I believe that what CIEC has yielded is a more concrete approach in specific areas than has hitherto been the case. I would agree with the opening comment made by the hon. member for Halifax (Mr. Stanfield), which in a sense re-echoes the statement made by the foreign minister of France following the conference when he said that CIEC has ended with a positive result and valuable gains have been acquired, such as the common fund, the special action, the African decade of transportation and communication.

Then, he went on to say that the disappointments expressed by some G19 countries have been expressed against unrealistic hopes, or, as the hon. member says, unrealistic expectations. One of the difficulties is that there are unreal expectations. It seems to me that because of the interaction and the negotiating between senior political people from both groups of countries a good deal of rhetoric has been swept aside, but I do not think the job has been finished by any means.

Mr. Sharp: I would like to follow with a question similar to the one asked by the hon. member for Halifax. It is related to two specific proposals that have been before the CIEC conference. It seems to me that in Canada and in many other countries there has been a good deal of what might be termed as unnatural optimism about the possibility of certain proposals being accepted. I want to ask the President of the Privy Council (Mr. MacEachen) therefore, two questions related to these proposals. The first is related to the question of stabilization and indexation of the export price of commodities. Like the hon. member for Halifax I have been rather skeptical. The question I would like to ask the President of the Privy Council (Mr. MacEachen) is whether in his view there was any clarification of the implications of these proposals at that time. For example, would the export commodities of Canada be stabilized and indexed if such a system were to be brought into effect?

● (1540)

The second question relates to debt moratoria, and one of the neglected aspects of this has been the effect upon the credit standing of countries which go in for debt moratoria. I want to ask whether at the conference there was any meeting of the minds on the extent to which forgiveness of debts or debt moratoria affects the credit standing of the countries concerned and their ability to finance their future development.

Mr. MacEachen: Mr. Speaker, the two questions raised by the hon. member for Eglinton (Mr. Sharp) were uppermost at a certain stage in the thinking of the developing countries, but it was the objective of the industrialized countries, even before the ministerial conference to make it clear that it would be impossible to meet their requests on indexation and on over-all debt forgiveness. It is clear, as the hon. member said, that certain developing countries, even though they generally espouse the position, were not very keen on themselves being subjected to an over-all debt relief because of the risks the hon. member mentioned.

Certainly at no point did the industrialized countries conceal from the developing countries the position we took on both these points, but it is interesting that on price stabilization here again we clarified the situation to the point where we had a good deal of agreement, even though we were unable to reach a final agreement. A future forum will perhaps determine that. What the industrialized countries were talking about particularly was the possibility of price stabilization around a long-term market trend, to make that the guide and then to relate that factor and other factors to individual commodity agreements. The Europeans and the Americans circulated a paper on debt, and I think the situation has been clarified. Discussions were quite intense on this point. I think the next time we have a discussion on debt, we will be having it on a new threshold. The general request for a debt moratorium will be realized as one of the unachievable expectations of the developing countries, and I think these are achievements in clarifying what we can do together.

Mr. Speaker: Order, please. I think it would be unfair not to recognize those who sought to be recognized yesterday, and today we will conclude the questioning with the hon. member for Esquimalt-Saanich (Mr. Munro) and the hon. member for Saint-Denis (Mr. Prud'homme).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have a request and two questions to put to the President of the Privy Council (Mr. McEachen). The request has to do with the communiqué. Because of the importance of the communiqué and the interest of hon. members in it, I suggest that it be tabled and become part of *Hansard*. If that cannot be done within the rules, I suggest that it be made part of the proceedings of the Standing Committee on External Affairs and National Defence because, as the minister knows, we are studying this particular matter in the subcommittee.

My first question deals with facing the debt problems. While the minister did mention his disappointment that the OPEC countries did not agree to deal with the energy aspect and their contribution to our present problems, the OPEC countries do make contributions to debt relief for the less favoured countries of this world, and I wonder whether there are any figures or proportions the minister can give us to show the contribution of the OPEC countries either to the common fund or to the debt problem to assist the less favoured nations to meet their great burdens brought on by the increase in energy prices.

My second question relates to how I should interpret the last phrase in the minister's statement, which is as follows:

> In conclusion—and I hope this is listened to by the Secretary of State for External Affairs (Mr. Jamieson)—I believe it is important that Canada continue to play a leading role in the area of north-south relations in the post-CIEC period.

This suggests to me that this is a handover from the President of the Privy Council to the Secretary of State for External Affairs (Mr. Jamieson) of those responsibilities which he had in this conference.

Mr. Knowles (Winnipeg North Centre): Not if he could help it.

Mr. MacEachen: Mr. Speaker, when I left the Department of External Affairs, if that is the correct way of putting it—

Mr. Knowles (Winnipeg North Centre): That is not the way we understood it.

Mr. MacEachen: —I was asked if I would continue with my responsibility for the Conference on International Economic Co-operation, and now that that conference is terminated, I am really defunct in that field. I have no more responsibilities except the final flourishes to the conference which may take place at the United Nations or elsewhere. That is why I was, as it were, handing the torch to the Secretary of State for External Affairs.

Directly on the quetion of the OPEC contribution, we had very interesting negotiations in the final hours of the conference on two texts, one on the general text on official development assistance and the other on the special action, in which the industrialized countries wanted to broaden the definition of the contributors to include all others, and the developing countries fought very hard to have these broadened references taken out of the text. For example, the OPEC ministers argued with me that even though they have been making very substantial contributions—and they have been—they are not in the same position as developed countries because they are underdeveloped countries, as many of them are, and their assets are derived from a non-renewable or a declining resource. For those reasons they were not ready to have their role in this field put on a par with that of the developed countries. As a matter of fact, in the interests of a positive conclusion the industrialized countries withdrew some definitions from the text on official development assistance. It did not seem to be an issue large enough to break up hope, and that is really what happened.

Mr. Munro (Esquimalt-Saanich): And the communiqué?

Mr. MacEachen: When it is available in both official languages, I think it would be a good idea to have the communique appended to *Hansard*, and I would like one or two other documents appended at the same time, possibly the Canadian statement and the Canadian conclusion.

Mr. Speaker: I do not know if the President of the Privy Council (Mr. MacEachen) is now in a position to put forward the documents which have been suggested or whether we ought to see the documents first to determine whether it is feasible to append them to *Hansard*. If it works out that it is feasible to append them, perhaps permission could be sought tomorrow.

● (1550)

Mr. Prud'homme: Mr. Speaker, I should like to warmly congratulate the minister—

Mr. Paproski: We have already done that.

Mr. Prud'homme: I am sure the hon. member for Edmonton Centre (Mr. Paproski) would not object if I, as chairman of the Standing Committee on External Affairs and National Defence, add my congratulations to the minister for his leadership. He is also to be congratulated for his great patience because this international conference demanded it. I do not share the defeatism of those who believe that this conference was not a success. To be able to have 19 developing countries sitting with eight countries—

Mr. Speaker: Order, please. I have to remind the hon. member that the provisions under which we are operating provide the opportunity for the minister to make a statement and members to ask questions. It is therefore open to the hon. member to ask questions and that is all.

Mr. Prud'homme: Mr. Speaker, I would refer the minister to the report on the debt problems of developing countries recently submitted by the subcommittee on International Development, which I have the honour to chair. The minister's statement showed clearly that he shared the subcommittee's assessment of the importance of the debt issue and of the need for concrete action in this area at CIEC. Canada's welcome announcement that it would write off the $254 million of debt owed by the least developed countries was in accord with one of the subcommittee's recommendations—in fact, as a unilateral action, this bold Canadian initiative went even further than suggested by the subcommittee.

In light of this, Mr. Speaker, was the minister able to persuade some of the other industrialized countries at CIEC to re-examine the debt problems of these countries in the near future—to, perhaps, consider a write-off, or the postponement of payments on debt related to aid, or other measures suggested by the subcommittee?

Mr. MacEachen: Mr. Speaker, I know that the Canadian position on the debt was well received by the developing countries. In fact in the final commentary following the presentation by the industrialized countries, the co-chairman of the conference, Dr. Perez Guerrero singled out Canada for special reference in the field of the debt and in the field of agriculture. We took this decision as Canadians but we knew the enormous difficulty that other countries might have which have greater volume of debt, to take similar action.

There are still some constructive proposals on the table and the debt problem will be considered in the near future. I think there is some hope that workable arrangements can be achieved through the proposals that have been put forward by the community and the United States. My reference to the Venezuelan co-chairman of the conference leads me to express my appreciation for his work and my admiration for his great dedication and flexibility throughout the whole conference.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed consideration of the motion of Mr. Marchand for Mr. Chrétien that Bill C-23, an act to facilitate conversion to the metric system of measurement be read the third time and do pass.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, when we adjourned for lunch I had just begun my remarks. I pointed out for the benefit of my colleagues that I had been unable to participate in any part of the second reading debate or the committee proceedings on Bill C-23 which deals with the metric changeover in the grains system in Canada. I pointed out also that the considerable delay since the time of first reading has been beneficial. It allowed the groundswell of opinion from grain farmers in western Canada where most of the interest is, to get back to parliament.

It has also been a delayed reaction, as through second reading debate and at committee there was very little if any response or comment from the grain farming public. It now seems clear that grain farmers in particular and farmers in general resent the manner in which this metric change was introduced. They resent it because it is the first major metric changeover in Canada. They ask why some other sector of society was not affected first and that is a valid question. They resent it because they feel they were not consulted about it first of all and especially not by their own leaders. Finally, they resent it because they feel their own farm leaders moved as fast as they did on the assumption of grassroots support which simply was not there.

Members of this House may recall the annual meeting of the Canadian Federation of Agriculture which was held last winter in Ottawa at the same time as second reading of this bill was being debated. There were numerous delegates from Saskatchewan and Alberta at that very large convention. Those delegates were critical of Bill C-23 and were asking why there was such a rush and why representatives of the agricultural industry from western Canada were not consulted on their home ground. A motion before the convention that would have brought the issue to a vote was tabled without debate and the issue was not resolved at that convention. Of course it may not be resolved by the Canadian Federation of Agriculture until their next convention, probably next February. The executive of the federation obviously were not prepared to see a vote go against their previous stand in support of what I call a premature bill.

I should like to refer to some correspondence I have received and to quote from four letters that are typical of the response to this metric conversion bill.

The first letter dated February 1, 1977 from Bow Island, Alberta reads as follows:

Dear Mr. Hargrave:

With the announcement today that the metric measure for grain has been delayed I wish to register with you my resentment for the manner in which the Canadian people are being expected to accept this metric malarky. I feel as well as all the people I can talk to, that we do not need the metric system.

As much as we have been brainwashed to believe that the U.S. will follow our footsteps I have read articles on this conversion in several major U.S. papers and the consensus is that the conversion to the metric system there will never pass Congress.

● (1600)

This country was never designed originally for the metric system and barring the fact that the people of Canada will have to pay millions of dollars I do not believe it is necessary to have the system to compete in world trade.

In the issue of the *Western Producer* of December 2 the editorial states that Britain has not passed their metric bill and has been kicking this around since 1965.

Please consider my opinions and that of most or all of my neighbours.

I quote another letter from Acadia Valley, Alberta, dated March 29, 1977. It reads in part:

The main reason for my letter however is in regard to the metric system. In this democratic country there are always hearings into pipeline building, railway abandonment, etc., etc., so I would like to know ... why the metric system has been forced upon the people of this land. In discussions with my neighbours not one has been in favour of the metric system and no one was ever asked if they wanted it or not. The elevators have already changed their scales and tickets, and yet this has not yet become law. I would like to suggest that you discuss this with the people of your area, they are entitled to express their opinions on this matter, and I am sure you are in favour of people voicing their opinions.

I quote from another letter written by a resident of Foremost, Alberta, on March 22 this year:

I am writing to you to express my feeling in regard to the proposed legislation by the members of national government, and its supporters in the House. We learn through our Canadian news media that we are to have the so-called metric system imposed in our way of life by our most faithful members of our government.

I wish to express my own personal opinion in regard to the proposed changes which will greatly affect all our daily problems. Firstly our economic angles, and secondly our ability to cope with this new measure regardless of how simple it is made to appear. I am a farmer and have been educated to our old and reliable system of farm mathematics, and never found this method in error. I am confident that I can speak for a great many other people in this matter who are all severely affected by this proposed change.

One does not have to study this new proposal very far to realize what a cost it will be to our economy as farmers, also the gradual cost effect to our equipment with which we have established our operations.

I would suggest that all our opposition members in the House oppose this measure and forestall this wild dream of simplicity until the next election, and then bring this matter before the people in a special plebiscite ballot and await the outcome. Let the majority decide whether Canada wants this change.

I hope you will give this matter your utmost consideration in your influence in government matters and consider us ignorant farmers who need your support.

I quote one more letter written by a farm leader of Bow Island, Alberta, who is held in exceptionally high regard by his community. The letter, dated February 23, reads in part:

An additional comment that I would like to make is with regard to the metric conversion in Canada. I realize that objections should have been voiced long ago, but I was unaware that parliamentary approval had not yet been achieved. I can see no valid reason why Canada should change to the metric system. The excuse that we must go metric because of our dependence on foreign markets is hogwash. In this computerized world that presents no problem whatsoever. In spite of what proponents of the metric system say, there will be nothing but confusion for many people, and many will never accept the system. It is interesting to note that Britain and Denmark have never fully changed to the metric system, and it would appear that they probably never will. Our whole land area is surveyed on the Imperial system and obviously cannot be resurveyed under the metric system and maintain the same rural road network, etc.

It just doesn't make sense to change a logical, evenly laid-out land mass to a factional system. It is easily conceivable, too, that a number of "entrepreneurs" will victimize a great many consumers who are not familiar with a new system of weights, volumes and measurements. Much more could be said in defence of the Imperial system. Suffice it to say I am certainly not in favour of the metric conversion. Change, merely for the sake of change is foolish. I can see no benefit whatsoever to the average Canadian in a metric conversion, and after all is it not the average Canadian we are most concerned about?

I point out that the letter referred to "our computerized world" and suggested it was not difficult to convert from the Imperial to the metric system. That point is valid. It is well known that our international grain trade for many years has been conducted in metric units; therefore, the comment concerning "our computerized world" is valid indeed.

I raise one particular item of concern. I learned of this in personal conversations with farmers, especially those who own their own land, which includes most of them. They are deeply concerned about the implications of the metric changeover for our land measurement or survey system in western Canada. I do not know the official plans in this respect, but I say that if any exist, western farm owners are not aware of them. Most farmers are of the opinion that our lands will be resurveyed, if not after passage of the appropriate legislation at least after land is sold and before a new land title is issued, in metric measurement units. This should never happen. Consider all the implications of undertaking a physical resurvey of land. I repeat, it should never happen. I may not be a dominion land surveyor—I think that is the official title—but I happen to be a professional engineer and know something of our western Canadian third land survey system.

I know from practical experience how to locate section and township monuments and road allowance requirements. I know how to "jiggle in" a surveyor's transit or theodolite over an official government land survey benchmark monument. I know

all about the projections of straight lines, correction lines by survey instruments and surveyors' chains for calculating distance and area. I know the history of the projection of the fourth reference meridian, which was a separate true north meridian running north from the American border for 720 miles, established in 1896. Later, this line became the boundary between Alberta and Saskatchewan.

I know this history because the surveyed meridian went right through the ranch on which I still live; it went through it some ten years after that ranch was established. I am certain no such surveys are anticipated, but that is my personal opinion. If they are, farmers should be so notified. If not, they should still be informed. Will land titles be changed to kilometres, metres and hectares? If so, when? Will it be after new legislation becomes law, after the sale of land and before transfer of title, or will there be no change at all? We should be told. All landowners, especially western farm landowners, want to know these answers now. If this information is now available, farmers are not aware of it. That is because of the information put out about this bill. I am fully aware of the fact that land is the responsibility of our provincial governments, including land titles, assignments and taxation. However, I point out that the first western survey was the responsibility of the federal government.

● (1610)

I draw to the attention of hon. members on both sides of the House the remarks of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) before lunch with regard to the question of legality of land ownership, the legislation which supports that type of ownership of land and the basis on which it is done in western Canada. I received a message by correspondence and by personal communication from farmers in the west with whom I discussed this question. I might point out that I received no comments from my city friends or academic friends. The message is that if a metric change is to be made, let it be made after the grain is delivered to the country elevator. That means the continued use of miles, acres, bushels and pounds. That message clearly questions the need for any change to any portion of the metric system unless and until the United States is ready to make a similar change at the same time. It has been suggested that after the withdrawal of the first effective date for this metric bill, the new date will be the end of the crop year, or July 31, 1977. If this is so, the minister responsible for small business should say so now, if possible.

I want to make some brief comments on a front page story in the May 26 edition of the *Western Producer* dealing with the metric grain issue. This has been mentioned by some of my colleagues but I think it important to again draw attention to it. The article reported on a recent meeting of the Canadian Grain Commission Metric Conversion Committee in Winnipeg. The chairman, Earl Baxter, indicated that his committee was a little bitter about the confusion respecting the progress of this bill through parliament. The article points out that the grain industry has already spent $300,000 in anticipation of metric grain conversion; that it is highly unlikely the changeover can take place before August, and the next likely date is February, 1978.

Mr. Baxter blamed both the government and the opposition for these problems. He speculated that with a federal election next year—that is the reference in the article—he had doubts about that 1978 date. I have considerable sympathy for Mr. Baxter and his metric grain conversion committee. I am sure he followed very faithfully the terms of reference assigned to his committee. The explanation for his bitterness is obvious. Some groups in very high places in both farm organizations and governments forgot to communicate with the largest sector of our society directly concerned with the consequences of this proposed legislation, namely, the farmers.

In the meantime, I am certain that my grain farming constituents will want me firmly to support the third reading amendment introduced by the hon. member for Qu'Appelle-Moose Mountain. It makes the reasonable suggestion that the bill be returned to committee to further assess the somewhat delayed but very genuine views of the people who will be directly affected by this legislation. Let us never forget that. It is not we in this House who will be directly affected, but the grain producers.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to take part in the debate on third reading of this very controversial bill. I support the amendment of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) that the bill be returned to committee for further study of certain very limited areas.

Never was more blatant political power used than in the introduction of this bill. It appears as though the metric committee only contacted one or two large civil service-oriented groups such as the Wheat Board and suggested that metric conversion be introduced. The grain trade did not see anything particularly wrong, because the metric system had been used in the selling of grain for decades. It is probably an ideal means of selling grain because of the large volumes involved. However, they did not realize the effect it would have on the 200,000 permit holders.

The grain trade fell over itself trying to do what it had been told by the government, not realizing that it had a choice. The various grain people and companies which promote grain sales and act with regard to quality control did not realize the widespread resentment toward this legislation. Only bilingualism and gun control has created more animosity in western Canada at the rural level than the introduction of the metric system. While this is no disadvantage to the grain trade, it certainly is to the person on the farm.

It has not been proven that changing to the metric system will increase production on the farm. In fact, for many years it will have exactly the opposite effect. It will increase the possibility of error such as using too much herbicide or weed killer, and too little fertilizer. This is because farmers are accustomed to using bushels, acres, pounds and gallons.

● (1620)

North America has a common machinery market. All our seed drills, all our herbicide applicators are, naturally, based on the very large American market to the south. The manufacturers will not be using hectares, litres or kilograms until a changeover takes place in America, and this will perhaps take many years, particularly in the field of agriculture. The introduction of the metric system in the United States will, I understand, be largely voluntary. In other words, the system will have to prove itself to be the best before it is widely used.

The Canadian farmer is not averse to new ideas. Indications are that agriculture in general, and grain farming in particular, are among the most scientifically managed industries and certainly among the most productive industries. Farmers resent this change to the metric system because they feel it will be a barrier to their ability to produce. It is significant that in Britain, a much smaller country and one in which the introduction of the metric system will be met with considerably more acceptance than in Canada because of its dependence upon foreign markets for manufactured goods, they intend to keep the mile, the inch, the pound and the gallon. If those measurements were retained in Canada, it would certainly help western farmers through the transition period.

I would point out that the metric system is merely another means of measuring. It is certainly convenient in a computer age, but the metric measurements are often incomprehensible to people accustomed to working with their hands. For example, everyone knows that a bushel basket represents a certain volume. The farmer does not know how much a kilogram or a litre represents. A tonne is too large for him to visualize easily, but a bushel represents a familiar volume; he can look at a bag and form an immediate judgment of what it contains. But a tonne of grain represents anything from 38 bushels of wheat to 50 or so bushels or another grain such as oats. Metric is not a good system of measurement for those who work with their hands on a farm.

Moreover, the metric system is confusing in itself. This is shown by a letter from the deputy minister of agriculture in Manitoba to Mr. Baxter, chairman of the metric committee of the Canadian Grain Commission. This is what the deputy minister had to say:

> I understand that the Canada Grains Council Metric Committee has made a tentative decision to adopt the kg/hl as the unit for measuring grain densities. Since Canada, along with most of the other countries in the world is adopting the SI metric system it is clear that we should be using SI units in our grains industry. The hectolitre is not an SI unit and should not be used. The official Metric Practice Guide which is a national standard of Canada gives the kg/m^3 as the correct unit for density (see pages 11, 15, and 25). The introduction of another density unit would only add confusion and extra calculations to the designation of grain densities.
>
> I also understand that your committee is proposing to give grain storage volumes in metric tonnes equivalent of wheat. The arguments against the hectolitre also apply to this unit. The unit you are proposing is, in fact, $1.34m^3$, and the only way to determine the volume of a bin in metric tonnes equivalent of wheat is to measure it in m^3 and divide the result by 1.34. This is obviously an unnecessary calculation, and results in a long, confusing unit. To state the volume simply in m^3 is according to approved SI practice, and given as the national standard of Canada. To determine the amount of grain in a storage, with the density given in kg/m^3 and the volume in m^3, one simple multiplication is required. To determine the amount of grain in a storage, with the density given in kg/hl and the volume in metric tonnes equivalent of wheat, many complex calculations are required, as well as knowledge of the appropriate conversion factors. The logic in selecting the approved SI units is clear.

This shows there is division of opinion among the experts as to how this issue should be used. If there is division among experts, how can we expect the farmer to understand the significance of these distinctions? The letter continues:

> I also understand that the Canadian Wheat Board is proposing to use metric tonnes per acre as the unit for grain yield. Any combinations of metric and Imperial units are totally unacceptable and I trust that you will use your influence to have the acres replaced by hectares. All of our department publications since January, 1974, have been giving yields and chemical application rates in tonnes or kilograms per hectare and we will continue to do so.

That was from the deputy minister of agriculture in Manitoba. It shows that the Manitoba government is behind this move and agrees to the introduction of metric. But it has not been accepted wholeheartedly by the western farmer. No one complains about the grain trade using the metric system once the grain is in the elevator. But it seems foolish and useless to introduce the system at a time when the railways have indicated that it will be many years, five at least, before they themselves go metric. In other words, even if grain is brought to them in metric tonnes, this will be changed when it is loaded into the boxcars. Then when it is unloaded at the terminals the contents will be translated again into metric terms. So there seems no reason for introducing the change at this time, particularly since other parts of the North American continent, of which the great plains are a part, will continue to use the Imperial system for some years to come.

In his press release of February 1, 1977, the minister undertook to move gradually. He said:

> While I believe the proposed legislative changes should be implemented as quickly as possible, I also want to ensure that producer interests are not prejudiced and that farmers are not subjected to an unreasonable burden.

He should be as good as his word. What does he propose to do about this unreasonable burden of which he speaks? The minister has not told us. He said he will not have certain aspects of the bill proclaimed until some time in the future. This is not good enough. We want to know what he intends to do, and see it in writing in the legislation. The bill has had a rough ride in rural areas. They feel let down and put upon by the bureaucracy. They feel let down by their own farm organizations which have not, apparently, felt the weight of their members' opinions but are more interested in complying with what they regard as a *fait accompli*. They were told that they would save a little money; but in the end, of course, the farmer always has to pay because the expense of handling grain is eventually reflected in the price the farmer receives. Therefore, his wishes should be paramount and every effort should be made to accommodate him.

● (1630)

This legislation is being greeted with a tremendous amount of unhappiness on the part of the farmers. I hope the House will see fit to return the legislation to committee so the minister can tell us exactly what he intends to do to relieve the burden on the farmers.

Metric System

Mr. Peter P. Masniuk (Portage): Mr. Speaker, I am very pleased to take part in this debate on Bill C-23, an act to facilitate conversion to the metric system in Canada. The debate on this bill during second reading was very extensive, and the bill has had a very interesting history since it left this House following second reading. We are now aware that it has been the subject of some very active cabinet discussions as well. At any rate, the government has now decided that agricultural measurements will not be converted to metric right away.

A few months ago metric conversion was a pressing necessity, of top priority, but today we are told that metric conversion in agriculture can wait a little longer and that the acre and the bushel will be with us for a while yet. Of course, what this amounts to is an admission by this government of something we have been telling them constantly since this bill was first introduced—that the Canadian farmer is totally opposed to metric conversion. With an election only a year or less away, what was of top priority yesterday has become politically inexpedient today. At the present time, Liberals have become an endangered species on the prairies, and just before an election is certainly the wrong time to do something which has aroused so much antagonism and anger among the prairie farmers as has metric conversion.

Canada is a nation that lives by trade, and she must be in step with the rest of her trading partners if she is to survive and prosper in an interdependent world. I truly think that the metric system for Canada is inevitable and, in the long run, even desirable. But most Canadians, if my mail is any indication, are not in favour of the metric system and the Canadian farmer—the western farmer certainly—is actively opposed to it. In these circumstances, metrication just cannot be imposed on the country in the way proposed by Bill C-23. Canadians must first be accustomed to it on a gradual basis over a period of time.

An entirely new system of measurement is, after all, a major change and requires major adjustment, adjustment which is neither easy nor painless. Our position, then, should be to try to make the best adjustment we can. This sensible and reasonable approach has been the position taken by our party right from the beginning. These latest developments indicate that perhaps the government has listened to some of the things we said during second reading, Mr. Speaker.

Bill C-23 is described as "an act to facilitate conversion to the metric system". But despite this title it does nothing to facilitate our conversion to the metric system. Instead, it imposes this system on the nation in the most arbitrary and dictatorial manner imaginable; in a way which can only produce the maximum confusion, bitterness and disruption. It was the purpose of the amendments proposed by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the hon. member for Moose Jaw (Mr. Neil) to put some truth into the title of Bill C-23 and to really facilitate conversion to the metric system and make that conversion less painful.

The amendments of my colleague from Moose Jaw would have done this by providing for a dual system, Imperial and metric, in agriculture. The intent of the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain was to facilitate the conversion of Canadian consumers to the new system by providing for a three-year transition period using both systems, during which period the metric system would be phased in while the Imperial system was phased out. We think that these amendments were entirely reasonable and practical, Mr. Speaker.

Bill C-23 as presently framed is really one of the most cold, heartless, humanless pieces of legislation which I have ever seen. It is not legislation at all; it is a bureaucratic edict which says, in effect, "In order to comply with certain requirements," etc., etc. —the language of the bureaucrats— "henceforth things shall be done thus and so". One of my constituents told me that he thought the metric system must have been invented by Ottawa bureaucrats, and while we know that that is not true, it certainly is tailor-made for them.

In the immigration bill we saw a bit of philosophy and rationale for the legislation; but in this bill, which legislates a complete change, conversion to a totally new system of measurement, where such a rationale really is necessary and important and would have been welcome there is no humanness at all. We are, after all, doing more than just changing a system of measurement; we are trying to effect a change in people as well.

This government has just not faced up to the tremendous problems which metric conversion is going to cause, and the horrendous human inequities which it will create. I am not suggesting that we stop conversion. That is not realistic. We cannot turn the clock back and we cannot stop it, either. But to continue with the clock analogy, Mr. Speaker, metric conversion involves more than just turning our measurement clocks to another system, as we do in the spring when we switch to daylight saving time. That is all this bill does; it just sets Canada's measurements on another system and says, "Learn to swim in it in a hurry, or sink".

The same "You're on your own" principle is the one which the government has adopted regarding the cost of conversion, Mr. Speaker. It is to be borne individually by each sector—business, labour, manufacturing, agriculture. Of course, it is not reasonable to expect government to bear the major cost of conversion, but the present approach, the rigid imposition of the metric system on every sector, is not the right way to bring about the change. We would not be going metric at all if there were not at least some consensus among us that it will be in our best interests over the long run—and I believe that it will. But I am troubled by the suggestion I have heard, that the original pressure and the major impetus for metric conversion came from the big, multinationals because a completely metric world is in their interests. If this is so, then the result will be that the groups which metrication will most serve—the very big companies, the multinationals—will be the ones who can most afford the cost of conversion, and the smaller national and local industries which will realize the least benefit from metrication are the ones who can least afford it.

The unorganized, little guy who is not part of any group—the farmer and the consumer—will not realize any benefits from the conversion and, in fact, will be actively hurt by it. This does seem like a Canadianized version of that familiar old American theme, "What's good for General Motors is good for the U.S.A.", inasmuch as an endeavour that we have embarked upon because it is supposed to be in our national interest will most serve those who have the least concern for any strictly national Canadian interest.

It is impossible for us to calculate just how much metric conversion is going to cost, Mr. Speaker, because there are no reliable cost estimates available from any source, that I am aware of. The experiences of other countries are not of much help, either, except perhaps in a somewhat negative way. It seems that those countries which converted the fastest, Australia and South Africa, suffered the least expense; whereas in Britain, where the conversion process has been long and delayed, and is still going on, costs have been very great. Of course, the costs in social and human terms of a very fast, disruptive conversion for which this country's people are unprepared would surely be high and must be taken into account with the dollars and cents' expense. The costs of conversion will be different in each industry, of course. It might not be that expensive in the food industry because much of the packaging is of a disposable, non-durable nature. Paper packages, cardboard cartons and so-called "soft" conversion—that is, dual labelling—with metric equivalents marked on Imperial measurement cartons is now almost complete.

● (1640)

One of our amendments which was defeated, would have provided for the continuation of dual labelling when "hard" conversion, the switch to metric-sized containers, takes place. We feel that having the Imperial equivalents marked on metric containers would have protected Canadian consumers against the commercial rip-offs which will most surely take place when manufacturers begin to sell products in containers that look like the old Imperial cartons but are, in fact, smaller and continue to charge the same price. We have dual labelling now with Imperial packages. Why could it not be continued with metric?

The situation regarding metric conversion in durable goods manufacturing is very different from the food industry, but here it depends upon which manufacturing sector one considers. In the Canadian steel industry, for instance, I understand that the view is fairly optimistic. The industry started to convert more than a year and a half ago and feels that the three-year conversion period which they have adopted will give them adequate time to minimize the costs of conversion to metric sizing for steel products. The three-year timeframe was chosen in 1975 because new rates for steel products cannot be introduced until approved by the Canadian Standards Association, which the industry does not expect to come before 1978.

The situation in the automotive industry with regard to metric conversion is a very interesting one. All automobile companies began at least planning for the conversion some time ago—General Motors about three years ago. The problems in the automobile industry will be mostly due to differing paces toward metrication between this country and the United States, since the two industries are so highly integrated. At any rate, this industry should experience the least hardship in absorbing the extra costs of metric conversion.

Unfortunately, the same optimism cannot be felt about the situation of the industrial worker. Regardless of the size of the industry, whether a national or multinational corporation or a local business enterprise down the street, the worker is going to suffer hardship. The additional cash outlay for metric-size tools, which can easily go as high as $3,000, will be an initial financial hardship. The frustration of trying to work in a new system, and the resultant work slowdown and time loss, as well as the inevitable increase in work error and the accompanying production loss, must also be considered.

For self-employed workers at present, the full value of tools can be used as a tax deduction, while salaried employees can deduct 3 per cent of the value, up to a maximum of $250 a year. At the present and very rapidly increasing costs of industrial tools and equipment, this is now inadequate to prevent financial hardship for many salaried workers. Perhaps a special tax exemption might be provided for the Canadian worker to cover this particular expense of metric conversion. In addition, this would demonstrate in a very real and concrete way the government's full support for the metric conversion process and provide the worker with the best of all possible psychological boosts to support metrication—a financial incentive.

When one considers the costs of metric conversion in our society and economy it is, unfortunately, all too easy to foresee a vicious chain developing. The organized workers will, naturally, expect the employer to shoulder the major cost of the conversion and the employer will, in turn, pass on the cost to the consumer. The odd man out will be the unorganized worker, the Canadian farmer and the consumer. Both Canadian labour and consumer legislation may require some revision if we are to prevent these inequalities from developing.

For the Canadian farmer metrication will have few benefits. He uses measurements constantly every day to an extent perhaps greater than in very few other occupations. Now he is expected to stop using an old, familiar system which has been used for generations and start using an entirely new and strange system of measurement with which he has no experience. He must now stop farming acres of land and begin farming hectares. No longer will he harvest bushels of grain. Now it is metric tons, or tonnes. His land will not be measured in miles any more; now it is kilometres. Fuel must now be bought in litres, not gallons; and fertilizer and feed, not in pounds but kilograms.

All these measurements are strange and none has an easy or direct equivalent in the Imperial system. Is it any wonder that the Canadian farmer is so unhappy and so much opposed to the metric system, Mr. Speaker? This is why our party proposed that both the imperial and the metric system be used in agriculture in order to somewhat lessen the confusion and

disruption which is going to be very great in any case. We suggested that both systems be used for a limited time in order to ease farmers gradually into the use of the metric system. We suggested a three-year conversion period of dual usage, during which farmers would become familiar with the new measurements. This is not an unfair or unreasonable suggestion, but it is certainly very unfair and dictatorial just to impose the metric system on the farmer, to tell him he must use it and that the old system is no longer valid and cannot be used, as this bill does.

However, the government has now decided that it will consult with the farmers before metrication is introduced into farming and then reserve the option of not proclaiming those clauses of this bill which have to do with agriculture. While I suppose that consultation with farmers is some sort of progress for this government, this latest twist of reserving proclamation of certain parts of this legislation is certainly not acceptable to us. Metrication is either introduced, or it is not introduced. There is no way we are going to accept having a metric law on the statute books and have this government hold it over the heads of the western farmer like a club, threatening to bring it in at any time, or alternately suggesting or implying that it may not be brought in at all. This is blackmail and it is completely unacceptable.

Some hon. Members: Hear, hear!

Mr. Masniuk: For the Canadian consumer, metric conversion will be neither easy nor painless, as I have said. Familiar goods packaged and sold by unfamiliar measurements will almost inevitably create confusion at first. Housewives will not easily adjust to buying milk by the litre, vegetables and meat by the kilo, and dress fabric by the metre. Motorists will not easily become accustomed to travelling kilometres to work, putting litres of gasoline in the tank and kilopascals of pressure in the tires. More serious than this initial confusion, however, will be the great danger metrication will pose for price gouging when the consumer does not know how much he is actually buying.

An example of this confusion occurred a few years ago in Toronto when a service station began selling gasoline by the litre but marked the price on an outdoor sign as a fraction of a gallon. To a casual observer it appeared at first as if the station had discounted the price to an unbelievable extent and was selling gas at less than 15 cents a gallon. There was nothing dishonest going on in this particular instance, as far as I know. It was an example of genuine confusion. But it does demonstrate very well the opportunity that will be afforded to some unscrupulous businesses to raise their prices unnecessarily.

● (1650)

It will happen, as was shown by what occurred in Britain when she converted her currency to the decimal system. Included in the new decimal prices was an unjustified price increase in many cases, but even after the British consumer had begun to understand the decimal money system a little better and realized that there had been a price increase, the increase stayed. There was no reduction. I am afraid that we are going to experience similar situations here in Canada when metrication is fully under way. This is why the Progressive Conservative party proposed a system of dual labelling of both metric and Imperial measurements, not as a crutch, as some government spokesmen have said, but so that conversion takes place fairly and the consumer is treated fairly and can see that he is being treated fairly.

I feel that the cost of metric conversion will fall heaviest on the Canadian consumer. I do not see how this can be otherwise, since the governing principle regarding metric conversion as far as the government is concerned is to let the costs lie where they fall. Since it is only good business to minimize costs and maximize profits, it seems inevitable that retailers will pass on the increased costs in the form of higher prices to the consumer. There really does not seem to be anything that one can suggest as a solution to this. If we are really committed to metrication for Canada, we will just have to realize in all honesty that it will cost money.

Unjustified price increases, however, price gouging under the guise of conversion costs, might be controlled perhaps to a certain extent by a price surveillance program. The Department of Consumer and Corporate Affairs or, more appropriately, the metric commission, would conduct this program. Since the commission already exists and is, we are given to understand, experiencing morale problems arising out of some confusion as to its role and purpose, this might be an ideal function for it. There are many details which would have to be worked out, of course, but I think that this idea should be considered. Canadians might then feel that metrication is doing something for them, rather than to them, as many do now.

I would like to conclude my remarks on this very important subject, Mr. Speaker, by stating, as I did earlier, that I believe in the inevitability of metrication in Canada and, in the long-term, the desirability of it. However, I do not think that we should fool ourselves that this change will not be costly and disruptive. It will be. But I do not take that attitude, either, which I have heard expressed by some, that we should not convert, that we should ignore the rest of the world and content ourselves with the old system. This is a very provincial and insular attitude, not befiting an outward-looking, progressive country like Canada. For us in Canada the metric system may not be absolutely necessary but we, least of any nation which lives by trading, cannot be an island unto ourselves. In an interdependent world it is necessary that Canada be in step with her trading and business partners who are, after all, in today's global village, her neighbours.

I believe that most Canadians are astute enough and responsible enough to recognize this. But we must also be responsible in our approach to metrication and realistic about what it is going to cost both in economic and social terms, because I do not think that the government's approach to bringing the metric system to Canada is either responsible or realistic; and,

as I have tried to explain, it will surely create more confusion, frustration and misery than it should.

Mr. Elzinga: Mr. Speaker, with your consent, since only a few minutes are left to me to participate in the debate, I wonder if I could call it five o'clock and begin my speech after the dinner adjournment.

Mr. Deputy Speaker: Is the House agreed that we call it five o'clock and proceed immediately to private members' business?

Mr. Lang: Mr. Speaker, I have no objection to that provided I am assured that the members who are ordinarily expected to be here at five o'clock are here.

Mr. Kaplan: I rise on a point of order, Mr. Speaker. Perhaps the House might agree to continue for a few minutes after five o'clock to give the hon. member a chance to conclude his remarks.

Mr. Paproski: On the same point of order, Mr. Speaker. I think it is unfair to allow the hon. member to commence speaking at three minutes to five, because this will break up his speech. It would be simple courtesy on the part of the House to allow him to commence his speech at eight o'clock, particularly on a subject as important as metrication.

Mr. Deputy Speaker: To reassure hon. members, I might say that I have noticed the presence of the hon. member for Halton (Mr. Philbrook) who it has been suggested would be the government speaker. Does the House agree to proceed with private members' business at this time?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills and public bills.

Mr. Paproski: Mr. Speaker, I rise on a point of order. I believe there has been agreement to allow all motions to stand, at the request of the government, and to commence with the debate on motion No. 46 standing in the name of the hon. member for Red Deer (Mr. Towers).

Mr. Deputy Speaker: Hon. members have heard the suggestion of the hon. member for Edmonton Centre (Mr. Paproski), that we stand motions Nos. 1, 14, 35, 8, 23, 2, 15, 17, 19, 20, 21, and 42, at the request of the government, and proceed to consideration of motion No. 46 in the name of the hon. member for Red Deer (Mr. Towers). Is that agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

INVESTIGATION CONCERNING PRAIRIE FARM ASSISTANCE ACT ADMINISTRATION

Mr. Gordon Towers (Red Deer) moved:

That an order of the House do issue for a copy of the contents of the file or files in the possession of the Department of the Solicitor General and/or the Royal Canadian Mounted Police relating to the investigation concerning Prairie Farm Assistance Act administration.

He said: Mr. Speaker, this debate today came about as a result of the refusal of this government to state or reveal the facts of a serious matter which was first brought to the attention of this House by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) on December 9, 1974. Since then an interesting series of questions, evasive answers, an investigation and cover-ups has taken place. One could compare the actions of this government through more than one government department and the ministers to the behaviour of a child who broke a dish and hid the pieces in the hope the misdemeanour would not be known. In the case of the child, the broken dish was accidental. So far as the government is concerned, the evasion and cover-up were intentional. One can only assume there is guilt. Otherwise, why would the government treat the PFAA issue as one which is too hot to handle? We do not doubt that revelation of the facts would cause embarrassment to certain people and to the ministers who are supposed to be responsible.

● (1700)

When members of the Royal Canadian Mounted Police visited my House of Commons office, at my request, to view the evidence I had in my possession—evidence of wrongdoing on the part of PFAA employees—they decided to check into it further. We had to prod the then solicitor general to order an investigation by that force. The RCMP officers deserve commendation for the thoroughness with which they delved into this affair, particularly in view of the political ramifications and the fact that they were directly responsible to the then solicitor general. These are dedicated men who are interested only in carrying out their duty, regardless of the difficulties they encounter. They did their job well. They were the only ones who could do the job unless the government established an official inquiry by an appointed commission, which up until now the government has refused to appoint.

I mentioned evasiveness and covering up by this government. This unfortunate and unacceptable administration within PFAA also caused three field inspectors to be asked to retire before their terms had terminated, and one individual who refused to retire was fired. He was fired, not because of incompetence or for just cause but because of the questionable policy of this government. That is an excellent example of the just society, which some people thought meant justice. Perhaps it is just in the eyes of the federal cabinet, just because it suits its purpose and hides its political manoeuvring at the expense

of taxpayers. Why are loyal, competent employees removed from their jobs to protect the guilty, whether at the cabinet level or not? That question has not been answered.

When an individual is hired to work on a specific program or within a department and under that guise that person works for the Liberal party of Canada in a political campaign, at the same time being paid by Canadians' tax dollars, something is drastically wrong. We all know that there could be an error, a wrongdoing or a breaking of rules in anyone's daily job, but the misuse of funds and the underhanded manner in which that person campaigned for the Liberal party while pretending to be doing legitimate work cannot be shrugged off, excused, ignored or pushed under the rug merely because this government thinks it is all right to follow that devious and dishonest policy. Surely someone in this government has a conscience and a feeling of responsibility to those who elected him into office. Surely there is one sincere man of integrity who will stand up and admit that there was wrongdoing, punish the one who was involved, apologize and reveal the facts. That has not been the case. Everyone apparently chose to punish innocent employees to protect the one who sacrificed his name and his integrity to assist the Liberals.

We often hear inside and outside this House that the opposition is wasting time. Why are members of parliament voted into this chamber? Are we not here to protect the electorate against crime, injustice and unnecessary secrecy? If we are not, I am afraid the voters have been given a false impression and, unfortunately, some of them are being represented in a shoddy way. As a last resort I asked for copies of correspondence and other documents related to the PFAA incident, but that attempt was not successful either. The security of this country is not at stake. There is no need for secrecy except to hide the misdemeanours of this government through an employee who is the unfortunate victim. As a member of parliament, and therefore as a protector of those whom I was elected to represent, I have the right to see the RCMP files relating to the PFAA investigation, and I hereby demand to see their contents. I repeat that the security of Canada is not involved. Dishonesty is.

I question whether there not was a violation of the Financial Administration Act, in spite of denials by the former president of the treasury board. How do we know for certain, when we are not permitted to see the evidence? Why the cover-up?

The RCMP decided there was evidence of wrongdoing. The RCMP experienced difficulties, but through their tireless efforts evidence was made available and a preliminary hearing was held on July 17, 1975, when the accused was committed to stand trial on a charge of fraud before a judge and jury. For some reason, the Saskatchewan attorney general's department decided not to proceed further with the matter and a stay of proceedings was entered on December 2, 1975, in the district court judges' criminal court, Regina. How odd, indeed, this should happen when evidence was sufficient to order the accused to stand trial. To add to the unusal, this government chooses to be secretive. If there is nothing to hide, why follow this procedure which can only add to the suspicion, rather than remove it?

Getting back to waste of time—which is a favourite complaint of this government—yes, there has been waste of time. The RCMP spent considerable time performing its duties. The time of this House was used on numerous occasions in an attempt to have this incident treated in an open-minded way. Even the careers of four competent and decent PFAA employees were wasted by forced early retirement or firing. Most of us do not mind using time when it is necessary to reach a worthy goal—in this case, justice—but we do criticize when that time is spent to no avail due to the arrogance, secretiveness, evasiveness and questionable procedures adopted by the ministers under whose jurisdiction the PFAA administration was placed.

Here is a definite example of the daily problem experienced by parliamentarians under this government when it will not divulge information which should be available to the general public. Taxpayers' dollars were used in a political campaign under the cover of a federal government program. If the government persists in saying the employee in question did not do anything illegal, there is no question in my mind that the incident was politically immoral.

I will close my remarks by saying that this government, by this example of devious cover-up, has left its entire administration and every one of its ministers under a cloud. If we cannot trust the government on this one evident misdemeanour, why or how should we be compelled to trust the federal government at any time on any issue? Anyone can cower, cringe, hide and be evasive. It takes a man to stand up to say he was wrong.

Mr. F. A. Philbrook (Halton): Mr. Speaker, I would like to thank the hon. member for Red Deer (Mr. Towers) for giving me the opportunity today not only to review this specific case but also to discuss the very important general issue of availability of information. I know that he and other hon. members of the House will understand if I refer directly to my notes sometimes because this is a rather technical subject. The hon. member has asked that an order do issue for a copy of the contents of the file or files in the possession of the Department of the Solicitor General and/or the Royal Canadian Mounted Police relating to the investigation concerning the Prairie Farm Assistance Act administration. Production of the files has been denied for the reasons recorded in answer to the notice of motion on February 23, 1977. The hon. member refused to withdraw his motion and, Mr. Speaker, transferred the matter for debate.

It behooves me, therefore, to elaborate upon the reasons for the denial already stated. Historically, the question of the release of information to hon. members in order to enable them to secure factual information about the operations of government, to carry out their parliamentary duties, has been balanced against the equally important need to protect the security of the state and the rights to privacy of its citizens. When, in the judgment of the government, the need for production is outweighed by the need to protect security or

privacy, it becomes the public responsibility of that government to claim an exemption from production.

There has been a long-standing public policy that investigations conducted by police forces and the data gathered during those investigations be treated confidentially. It follows that this policy protects such information from disclosure to the public and to members of the House of Commons. The necessity for the preservation of this confidentiality was aptly described by the prime minister of the day in Great Britain, Lord Palmerston, in 1865 when he commented:

As a general rule no doubt, they—

That is, police reports.

—are not laid before parliament, and for this reason, not because it would be against any order of the House, but because law officers would be more cautious in expressing an opinion if they knew it was to be laid before parliament and the public.

This stated reason, and others as cogent, can be rallied in support of a case for exemption from production in this matter. The passage of time and the continuation of the practice of this exemption continues to reinforce the sensibleness of the reasoning of Lord Palmerston. Production would surely jeopardize the orderly conduct of the administration of justice both federally and provincially and would seriously impair the course of future police investigations of this nature.

● (1710)

Inquiries by the police of the nature in question necessarily involve the acquisition of information from a large number of individuals. Candidness is encouraged, and protection of the interviewee is often considered. In this process of interview and meticulous recording, half-truths may be recorded, hearsay acquired and allegations made that may never be substantiated. The careful recording of this information becomes essential to the production of evidence if, upon substantiation and admissibility as evidence, it will lead to a formal public charge. It is obvious that those matters which cannot be substantiated but were necessarily recorded in the investigative process must be withheld from publication. Yet these matters may appear in a police report side by side. Confidentiality is preserved if necessary between the Crown and its informants in order to save the latter from those who may become accused. Only information that is relevant, admissible and safe to publish will be brought forward at a preliminary hearing of the charges or trial. To do otherwise could cause irreparable damage to the reputation of honest citizens and discourage them and many others from co-operating with future investigations of criminal activities.

The production of police reports in the manner requested would inevitably lead to the laundering of police reports by investigators in an honest and therefore necessary attempt by police to protect their sources of information from exposure. The essential need for a full and complete exchange of information between the police and the Crown would be irreparably damaged as a result. Potential charges could be missed and the ability of the Crown or police to bring charges forward becomes crippled in the process.

In projecting these inherent difficulties the government has directed a claim for exemptions to be made in relation to reports and other documents the release of which would be detrimental to the security of the state. In 1969, the commissioners of the Royal Commission on Security addressed this issue as follows:

The duty of the state to protect ... its information from unauthorized disclosure ... is indisputable; what are matters for dispute are the procedures established by the state to meet this responsibility in an area which can touch closely upon the fundamental freedoms of the individual.

The duty here was emphatically exercised by declining to produce the documents requested. The importance of this particular case pales in the wake of the fundamental duty of the government to protect the public interest by supporting the condidentiality of police informants, other than those that must necessarily give evidence in support of the case for the Crown.

It is the responsibility and duty of the attorney general in a province to prosecute charges under the provisions of the Criminal Code. The evidence given in support of a charge is thereby published and a transcript of that evidence is available to all and is a matter of public record. Anything beyond this which is made available to the public is dispersed entirely at the discretion of the attorney general of that province, in his capacity as the chief law enforcement officer with the responsibility of the administration of justice within that province. It can be readily appreciated therefore, that any material which may be in the possession of the Department of the Solicitor General and/or the Royal Canadian Mounted Police should not be released by order of this House. To do so would be to subvert the authority and public duty ensconced in that attorney general.

In the particular case in question, the Royal Canadian Mounted Police conducted an investigation into alleged misuse of funds under the Prairie Farm Assistance Act in Saskatchewan. As a result of this investigation, a criminal charge of fraud under section 338(1) of the Criminal Code, was laid against an individual. We are all aware that such a charge is clearly the responsibility of the attorney general of Saskatchewan, and that as such the federal government has no right to force any further information to be made public regarding this case. The transcript of the preliminary hearing is available upon request and is a matter of public record.

The balancing of the basic rights of individuals vis-à-vis the interests of the state must be handled with delicacy. This is invariably difficult. But when the revelation of information undermines the rights of individuals to confidentiality in their capacities as witnesses, or when release of information can inevitably harm individuals without any apparent benefit accruing to the state or anyone else, the choice becomes obvious.

This House cannot arbitrarily usurp the power vested in the attorney general of Saskatchewan or any other province without seriously damaging its relationship with the provincial governments, in addition to destroying its relationship with the police forces in Canada and elsewhere. If investigators feel

that any information they accumulate can be, at any moment, made public, then efforts at investigations into, for example, organized crime, will be seriously hampered. The confidentiality of contacts in such a case is vital to the ability of enforcement agencies to monitor situations and obtain information. We depend on co-operation among police forces, as well as public co-operation with the police for the effective administration of justice and law enforcement. If private information, given in confidence, can be made public at will, public confidence and the public's co-operation in good faith can only be lost and channels of communication blocked. We must not violate the faith of the public in such a manner.

In conclusion, Mr. Speaker, I should like to refer to the extent to which I have come to know the police force in my hometown of Oakville, in the riding of Halton. Working with them I gained a great deal of respect for them and came to realize what some of their problems and concerns are in terms of dealing with organized crime and using information effectively—and that means confidentially. I realize their feelings about such matters as the peace and security legislation, Bill C-51, that is on its way through the House and, in particular, the wiretapping aspects of that bill.

I have known these policemen since we were all very young, and I know them to be people of great integrity, sensitivity and discretion, yet in this particular case they plead very strongly to have representations made, through their member of parliament, for example, in order to ensure that they have enough power to work with. Wiretapping or electronic surveillance would help them cope with new, powerful and sophisticated areas of organized crime and would help them to protect the Canadian people under their responsibility. I see a parallel here and that is why I find the debate today so interesting. The cases are analogous and I have no hesitation in pleading for some reasonable and sensible restriction of the availability of information so that our law enforcement agencies can do their job properly on our behalf.

Thank you, Mr. Speaker, and once again I should like to thank the hon. member for Red Deer.

Some hon. Members: Hear, hear!

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this motion for the production of papers has been described by the hon. member for Halton (Mr. Philbrook) as a technical matter. He gave an explanation that would be suitable for a newly graduated lawyer.

Mr. Philbrook: That's not bad for a doctor.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I think lawyers and the medical profession have learned that the best business is gobbledygook. To bring before this House all the traditions of parliamentary procedure as an excuse for not responding to the motion of the hon. member for Red Deer (Mr. Towers) is an act that demands plain speaking. I want to put it to the hon. member for Halton that he should listen to the facts and decide in this always grey area whether the purely technical answer he gave to a technical problem is not a cover-up for a very evil-smelling operation.

[Mr. Philbrook.]

• (1720)

Here are the facts, Mr. Speaker.

Mr. Lee: Yes, let's hear the facts first.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have before me a document the contents of which I shall read into the record. The hon. member for Red Deer seeks information. In this case we know what we want and know what is in the documents. That is not the point. The document in front of me comes from the court in Saskatchewan. Let me give some background to the document.

During the 1974 election campaign, Liberal supporters, employed by a government agency, the Prairie Farm Assistance Act agency, or PFAA, engaged in certain political activities in the hope of electing to parliament Liberal members in the three western provinces. I knew what was going on and asked colleagues in this House and one member of the NDP to watch what was happening. Sure enough, those Liberal campaign workers made a mistake. Mr. Speaker, they were not doing these things for the love of the Liberal party. They were doing it to make money. What was the source of the money? It was not the taxpayers of Canada but a fund belonging to farmers. It was accumulated over the years when a 1 per cent fee was charged on farm sales to elevators.

Mr. Paproski: Somebody was engaged in a little hanky-panky.

Mr. Hamilton (Qu'Appelle-Moose Mountain): This $11 million was the source of the money these people were to get. They were to steal from that fund. The day after the election, several of them—and we have evidence concerning five—asked their supervisor to pay their expenses. The supervisors refused, because they had been sent a letter, as had these individuals, saying there was to be no political activity of any kind in the period immediately before the election. But these men ignored the directive in that letter and were observed not to follow its directions. When the supervisors refused to pay their expenses, the next day after the election they told them, or someone in that office, they were going to phone a certain man in Regina appointed by this government and now sitting in front of you as a Privy Councillor to Her Majesty. When the telephone call was made, this man said, "Ignore that supervisor. Send me your expense forms. I know they are fictitious and against orders, but I will sign them and you will be paid". And they were paid.

If you consult the records of this House, you will find that I, to some extent, and the hon. member for Red Deer to a greater extent pushed hard to draw this matter to the Auditor General's attention. The Auditor General reacted immediately. His staff were in there, broke in and took photographs of the particular documents. The hon. member for Red Deer and others exerted pressure for this matter to be drawn to the attention of the RCMP fraud squad. The hon. member acted

perfectly honourably and perfectly legally. He said the citizens of this country should be protected against wrongdoing on the part of certain persons at election time. He protested against using the money of farmers which should be held in trust to pay for the improper activities of those political wardheelers.

The hon. member for Red Deer acted honourably and the hon. member for Swift Current-Maple Creek (Mr. Hamilton) acted honourably. All of us, as politicians, acting on principles of British equity and justice, kept our mouths shut. Why? The matter was before the Auditor General and the fraud squad of the RCMP and we trusted our national police force to do the proper thing. They tried hard and succeeded partially. Only five substantive bits of evidence were collected. Mr. Speaker, it is difficult to get a man accused of criminal fraud to convict himself. The police did their duty, investigated the charge and turned the matter over to the representatives of the attorney general of Saskatchewan. Several of us have read the transcript of that preliminary hearing before the judge, and even a layman can tell that the particular representative of the Crown attorney's office acting as prosecutor should be sent back to school. The judge listened to the evidence. It was transcribed; the transcript is 68 pages long. The judge said there was enough evidence to commit this man for trial and so recommended.

We acted properly, kept our mouths shut, turned what evidence we had over to the legal people, and supplied more. There is still more to come. The police did their duty, the Auditor General's department did its duty, and the judge did his duty. I ask, why has the trial not proceeded? Why has it not taken place? Rarely, indeed, does a provincial attorney general not proceed with a trial if a judge recommends it should go ahead. The usual reason for not proceeding is that one of the main witnesses dies, flees the country or is bumped off. Our laws afford every protection possible to the criminal. These men are not criminals. They are typical examples of Liberal wardheelers, typical examples of the sort of people who have been active in politics in Saskatchewan in the last 40 years. They are protegés of the Gardiner machine.

When the Liberals were thrown out in Saskatchewan, and then at the federal level, we thought that machine was finished. But, by gosh, when the Liberals were returned federally in 1963, and particularly in 1968, they tried to rebuild it. I have lived under machine politics and do not like it. I remember the days when, as the right hon. member for Prince Albert (Mr. Diefenbaker) observed our only protection lay in the game laws of the province. As a young man I worked as a hired help on the farm. I wanted to move up in the world and become a municipal secretary. I even thought I might become a teacher after some training. Mr. Speaker, I could not become a municipal secretary. I could not even get into school unless I had the approval of the local Liberal MLA. My freedom to seek the employment I liked was curtailed. Now you know why I and others like me sit on this side of the House.

Mr. Kaplan: Do you mean that you would be a Liberal if you were in Ontario?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have tried to show what happens under machine-type politics. Wherever a machine rears its head, you will find me fighting against it. I do not like it. What we are witnessing here in response to the hon. member's motion is a cover-up, by members on the government side, of what is legitimate information.

● (1730)

I am going to read into the record the charge against just one man. This has the stamp of the Department of the Attorney General in Saskatchewan. The document is dated October 1, 1975. I am not a lawyer so hon. members will pardon me if I just give the big print. The information reads:

On behalf of Her Majesty the Queen

This is the information of Inspector J. Keith DANE of Regina, Saskatchewan, peace officer, hereinafter called the informant.

He had done his duty, he collected his evidence.

The informant says that he has reasonable and probable grounds to believe and does believe that Howard Ernest Buchan of Regina, Saskatchewan between the 1st day of May A.D. 1974 and the 16th day of August A.D. 1974—

Purely by accident, that is the period covering the election.

—at Regina in the Province of Saskatchewan did by deceit, falsehood or other fraudulent means defraud the public in general and the Government of Canada of the sum of three hundred and ninety nine dollars and seventy eight cents ($399.78) by making or causing to be made, false and fictitious travelling expense accounts and work reports for John Kormendy contrary to Section 338(1) of the Criminal Code of Canada.

That was the charge. The judge listened to the evidence of this man. It points to Buchan, an appointee of this government, for no other reason than he was part of the Gardiner machine, trusted to look after the farmers' money under PFAA.

The judge said there should be a trial; the Attorney General said no. He will have to answer for that. I became concerned about it and wrote to him. He replied on July 14, 1976, and I quote:

The decision to enter the Stay of Proceedings was made on the basis of the recommendations of this department's legal staff—

If we have to rely on that, God help this country.

—which were based entirely upon a consideration of evidential and legal matters. I am advised that there was not at any time any communication between any federal department or official, and any member of my department with respect to this prosecution.

Why would the Attorney General put in a gratuitous observation like that? I had not asked that question. What was bothering him to offer that proposal? No one from Ottawa approached me about this. It is a purely legal matter. He went on, and this is the key:

It is the duty of the prosecutor, notwithstanding an order of committal for trial, to review the evidence after the preliminary hearing to determine whether or not there is in fact a proper case to place before the trial court. The prosecution's allegations in this case were based entirely upon certain statements made by a Mr. John Kormendy, an accomplice.

I am not in a position to express an opinion on the quality of this evidence, but in substance the Attorney General turned down this request for a trial by the judge on the ground that the evidence came from one of the partners in the crime. This

is known as a corroborative evidence concept. It means that if you catch five guys robbing a bank—they are caught with all the cash in their hands—and if you take the matter into court and only one guy gives evidence against the other four, the court will not accept that evidence because there is no corroborative evidence from someone other than an accomplice. You need someone else to corroborate the evidence.

We have the evidence of the cash in the hands. If they cashed those cheques, we want that evidence. We know they did but we would like to see it officially from the government. We know the orders were sent out that they must not work even on their job let alone politically. They disobeyed that. We know the money came from a fund that belonged to the farmers.

We feel that we, as Canadians, have done our duty in the legal course, stymied by this tendency not only of civil servants but of legal civil servants following the well known principle of CYA to cover themselves with paper in this type of letter.

This issue cannot die. We have before parliament a motion on the part of government to repeal the PFAA. In 1975 I asked parliament, and the government acceded, because it took it out, to take out the repeal of the PFAA from this House until this criminal fraud matter was cleared up, and not only the charges of criminal fraud, the documents about which the hon. member is after, meaning types of statements similar to what I read into the record regarding the whole file, but also political fraud. He hinted at it.

We want to find out whether the director sent the letter as ordered by the minister's office to every person, saying that he must not participate in any activity whatsoever, either legitimate or otherwise, before the election. Was that letter sent out?

Second, we would like to talk to the supervisors. Why did they refuse to sign those expense vouchers? Third, we would like to ask the staff, the people in the office in Regina, why it was, when this got into the hands of the police, that just before Christmas all the girls who had worked in that office for years, close to pension, were suddenly dismissed. What was happening in that office that would make them want to dismiss those secretaries who had been there for years? This is not criminal fraud. It is not required in this question.

We would like to ask the minister before we repeal this legislation why they kept a director of PFAA on staff, paid him $25,000 a year, yet locked him out of his own office and did not allow him in there. Why?

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, but the time allotted to him has expired. Is there consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Thank you, Mr. Speaker. This is a serious subject. We would like to ask a whole series of questions. It is not criminal fraud but political fraud. Why were the payments made under the summer fallow program in 1972 before the election and the farmers then told they had been overpaid and had to pay part of it back?

● (1740)

We would like to ask about any of the special instructions which were sent out—why some people who were overpaid were treated differently from others. And in the 1974 election, when they were overpaid before the election, all the farmers got their money. But after the election was over they were told they had been overpaid and would have to give some back. What were the instructions which allowed that in certain cases they would negotiate, and what were the terms of those negotiations under which they would not have to pay back what they owed the government? This is not criminal fraud. It is up to us as members of parliament to try to get it out of the government when they come before the Committee on Privileges and Elections. But we cannot take the question before the Committee on Privileges and Elections until the matter of the criminal fraud is cleared up.

I know the police are angry at the incompetence of the men in the Attorney General's office in presenting the case. I know the people in the Attorney General's office don't believe the police gave all the evidence they could have given. But I do not think that on a sensitive political matter like this, affecting not only the taxpayers' money but the farmers' money, that any Attorney General, for whatever reason, should have denied justice to the people of Canada.

This man who was charged with criminal fraud should have a chance to be tried by judge and jury. That is why it is important to the hon. member for Red Deer (Mr. Towers) that we get access to these things because we are dealing with documents that are official—not just information we know about. We have had telephone conversations with the various people involved, and so on.

Our request is a reasonable one and does not affect the question of security of the state. It is not a question affecting the relationship between the law officers of the Crown and the minister. It is a question of getting documents which are similar to the one from which I have just quoted. We have a job to do in Saskatchewan as well, to straighten out this question of legal niceties and technicalities being used as devices to keep justice from being done. If we are to do our job as citizens in Saskatchewan it would be a big help if the government in Ottawa did not deny us what we believe to be a reasonable request, access to the four or five documents which give us the facts of each case so that the people will know it is not an isolated case but part of a wider plan. There may have been others over and above the five, but the documents we want are on the five that are actually tangible cases.

I believe reasonable people would say that there is nothing in these documents beyond the fact that they acted in this case against orders, it was improper, illegal, and they got the money and cashed it. That is all. They stole it. They call it criminal fraud. But we have another job—one we cannot do until we clear up the criminal fraud. If we are to do our duty here and bring the matter before the Committee on Privileges and

Elections and call before it not only the Minister of Agriculture (Mr. Whelan), who acted as an innocent bystander in this whole thing, but the Minister of Transport (Mr. Lang) who knows the situation well, then we have to face up to the fact that we cannot let die on the *Hansard* record the question of what happened on that awful day, July 8, 1976.

When I asked the Minister of Agriculture about the burning of the documents, he said, "Well, the police took all they wanted, anything we needed we kept and everything else which was irrelevant or trivial—"insignificant" was his word—was destroyed." I asked him who instructed the burning of these papers. Here is his answer, as reported on page 15157 of *Hansard*:

> The information which was given to me was that no instructions were given to the person in charge who decided that all insignificant documents should be destroyed.

So no instructions were given by the Minister of Agriculture to destroy those documents. But somebody down in the office who had fired all the girls, kept the director out of his office, on his own initiative burned all the documents. I would think that with that type of evidence before us we have to face the fact that we are dealing with a serious political situation in the west. We know the close tie-up between the major newspapers in Saskatchewan and this political machine. And just last week we saw more evidence of it. A minister of the Crown, knowing that all these things are riding forward and will maybe come to light one of these days, suddenly issued a warning to two newspapers: "You publish or distribute that particular document and my lawyers will have words to say to you." And these two docile papers agreed not to distribute the document. But that same warning was not thrust on every other newpaper in Canada—because they are not part of the machine in Saskatchewan.

We are fighting a messy situation out there, Mr. Speaker. We ask the government and parliament to back us in cleaning it up. That is all we are asking. It is a serious matter, and I do not want to see it resting on the conscience of this parliament that we will not face up to it but prefer to follow the technical explanation that the documents cannot be given because to do so would destroy the relationship between the police and the minister. That is not good enough.

I could go on and develop the various arguments I have raised in these last minutes. But I think I have made my case as well as I can. We do have some responsibility to our country and to the legal system. Also we have responsibility to see that justice is done, and in this case justice is not being done because smart lawyers and teachers of lawyers use superficial legal reasons to avoid justice in this country. Whether it be in the province of Saskatchewan or at the federal government level this must be fought, and I wish to congratulate the hon. member for Red Deer for having the courage to bring it up.

Mr. Kaplan: I know that the time of the hon. member for Qu'Appelle-Moose Mountain has expired but I wonder if I might be permitted to ask him a question.

Mr. Deputy Speaker: As an extension of time was permitted the hon. member, I suppose I can take it upon myself to allow a question.

Mr. Kaplan: At the beginning of his remarks, did the hon. member indicate that he already had some or all of the documents whose production he is seeking?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I made it clear in my remarks that we know what is contained in the documents. We were the ones who got the Auditor General and the police moving on this. We know that we do not have the official documents on the basis of which we can speak and say that our record is the authentic one. The only way in which a member of parliament can get the official documents is by putting down a motion for the prodution of papers. We do not have the official documents but, for example, in the case of Saskatchewan they sent us a full transcript of the case. We have something with which to debate. The answer to the hon. member's question, in simple terms, is this: we know what the documents are, and they are no more serious than what we have here. It is not just an isolated case. We know there are other people involved who are not giving evidence and whom we would, naturally, like to attract.

Since some people are doing their duty and giving evidence for the state, others should come forward too to play their part, not by protecting these people with motives which are not proper, but by turning them loose on to the justice system. Let the judges and juries decide whether they are guilty of criminal fraud and not an attorney general nor an ex-minister of justice in a *de facto* sense interfering with our justice system. Even though the amounts are small, just $300 for a couple of weeks work, the fact is they did that, and had the colossal gall to steal that little bit of money in trust that should go to the farmers.

• (1750)

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, I listened with great interest to the arguments and allegations put forward by the hon. member for Red Deer (Mr. Towers) and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). They were alleging a cover-up and evasion, which is a very serious allegation indeed. I found it rather interesting that they could make this charge in view of the fact that it was the attorney general of Saskatchewan who decided to stay the proceedings. The hon. member pointed out in a letter he referred to from the attorney general of Saskatchewan that the reason why the attorney general stayed the proceedings was that the rationale or basis for the commitment to trial was based on the evidence of an accomplice who was involved in allegations of fraud. Surely that matter is properly within the jurisdiction of the attorney general of Saskatchewan.

What the hon. member for Qu'Appelle-Moose Mountain is asking of us I think he should ask of the attorney general of Saskatchewan. He is asking us about cover-up and evasion when it is the attorney general of Saskatchewan who stayed

the proceedings and who is responsible for the administration of justice in that province. It is a very serious charge and allegation that the hon. member is putting forward.

Mr. Hamilton (Qu'Appelle-Moose Mountain): It is indeed.

Mr. Lee: Mr. Speaker, the motion put before us by the hon. member for Red Deer is one requiring extremely careful consideration. I say that in view of the fact that we are involving ourselves in the matter when, as I have said, it is the attorney general of Saskatchewan who is responsible for the administration of justice in that province. Indeed the motion must be weighed very carefully in terms of an area which has always been highly productive of controversy. I refer, of course, to the area of provincial as opposed to federal jurisdiction.

During the time allotted I shall endeavour to touch upon those particular aspects of the problem to which this motion would seem to relate. These, I believe, lie in the contractual responsibilities of the Royal Canadian Mounted Police to provide provincial police services to certain provinces; secondly, in the traditional responsibility of provinces for the administration of criminal justice; and thirdly, in the effective delivery of police services.

Effectually, a paramount aspect of the question to be resolved would seem to be whether or not this House may appropriately order that there be tabled the contents of a file or files which are under the control and subject to the direction of the attorney general of a province. It is granted that the investigation in question was carried out by the Royal Canadian Mounted Police in respect of a federal statute, but both the investigation and subsequent judicial proceedings were made under the jurisdiction of the attorney general of the province of Saskatchewan. Under such circumstances we must ask ourselves this critical question: Would the House of Commons be justified in ordering case files clearly under a provincial jurisdiction to be produced here?

As I said, the investigation in this connection was with respect to a federal statute but the alleged offence was criminal in nature and resulted in fact in a charge of fraud being laid under section 338(1) of the Criminal Code of Canada. Responsibility for prosecution was, therefore, clearly that of the attorney general of Saskatchewan, not that of the Solicitor General (Mr. Fox).

Let us for the moment examine the responsibility of the RCMP in such instances. The contract under which police services are provided by the force to a province by virtue of the Royal Canadian Mounted Police Act reads in fact:

1. Canada shall, for the purposes of this agreement and subject to the terms herein, provide and maintain provincial police services within the province during the term of this agreement.

2. The internal management of the Provincial Police Services, including the administration and application of professional police procedures, shall remain under the control of Canada.

From this we see that only the internal management of the services remains under federal control. Obviously, this does not include the operation of the police service and operations include the investigative processes. These processes in turn include investigative files and materials. The maintenance of these files is an administrative matter, but use of the contents of the files, in my view, must be considered as operational.

Examining the federal-provincial contract for police services further, we find that:

1. The Commanding Officer of the Provincial Police Services shall for the purposes of this agreement act under the direction of the Attorney General in the administration of justice in the province.

2. Nothing in this agreement shall be interpreted as limiting in any way the powers of the Attorney General, relating to the administration of justice within the province.

By these terms, there can be no doubt that the RCMP in the administration of justice in a contracting province act as agents of the attorney general of that province.

Pertaining to case files and other relevant data, may I quote further from the contracts which are entered into between the two levels of government:

3. Any information

(a) in possession of the Royal Canadian Mounted Police, and

(b) which affects the administration of justice in the Province

shall be provided to the Attorney General in a manner and form to be agreed upon by the Commanding Officer and the Attorney General.

The services of the RCMP to the contracting provinces have been provided for many years, in Saskatchewan since 1905 in fact, and continue to be provided under these or similar terms. To the best of my knowledge, these terms have heretofore always been scrupulously adhered to by the contracting parties. Would we then, by asking for production of documents rightfully under control of a provincial authority, be contributing to a breach of contract—in the process demeaning, it seems to me, the traditional bond of trust which has historically existed between the force and the provinces it has so faithfully served?

This, in effect, is exactly what the hon. members for Red Deer and Qu'Appelle-Moose Mountain are asking. I seriously put to them whether they have considered the full consequences of what they are requesting. I am fully confident that if the hon. members were in full grasp of all the facts, they would not make such a request. We have had excellent relations with the provinces and surely we must continue to ensure that we do not disrupt this state of affairs.

In examining the motion before us, we must be truly conscious of the irreparable harm that could result from what may well be interpreted in some quarters as encroachment upon a subject which, under section 92 of the British North America Act, has traditionally been exclusive to provincial legislation:

In each province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subject next herein-after enumerated; that is to say,

and referring to our particular concern here today:

—the Administration of Justice in the Province, including the Constitution, Maintenance, and Organization of Provincial Courts, both of Civil and of Criminal Jurisdiction, and including Procedure in Civil Matters in those Courts.

The matter in question was investigated and prosecuted under the jurisdiction of the attorney general of the province of

Saskatchewan, a jurisdiction whose sources are found at the very roots of our Constitution. If we accept, as I think we all do, that the administration of justice is a subject of exclusive provincial jurisdiction, then we must accept that only the responsible provincial authorities are empowered to produce material relating to this particular case, and indeed all such cases.

As I indicated when this motion was tabled on February 23, 1977, and I quote from page 3345 of *Hansard*:

—the transcript of the preliminary hearing will be made available to the hon. member, upon request, by the office of the deputy attorney general, Regina, Saskatchewan.

The hon. member has a copy of the transcript because he referred to it.

To request that papers under the control and direction of the attorney general of the province of Saskatchewan be produced in this House would, I submit, sorely test, and be highly detrimental to the conduct of relations with the province of Saskatchewan and, because of the unprecedented character of such an action within the area of administration of justice, with all the other provinces that contract for the services of the RCMP.

Federal-provincial respect of jurisdictional boundaries is vital to an effective policing system in Canada. The police battle against crime grows daily more complex and demanding. Its successful prosecution depends upon a wide variety of factors, not the least of which is a clear division of responsibilities and jurisdictions. Accordingly, if we were to accede to the hon. member for Red Deer's motion, I submit we would disrupt the clear lines of jurisdiction. Certainly this is not what we need in this nation. If we are to be successful in combatting crime—

Mr. Deputy Speaker: Order, please. I have to cut in to—

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, may I just interrupt to ask a very important and brief question. Did the hon. member through his department ask the attorney general to produce these documents so that he can supply them to us?

Mr. Towers: Yes or no.

Mr. Lee: Mr. Speaker, I am not aware of that; I would have to check into that.

Mr. Deputy Speaker: Order. Hon. members are aware that we have gone beyond the hour provided for the consideration of private members' business, and if we are to pursue questions or speeches we would need unanimous consent. Therefore, I think the House had better proceed now with the adjournment motion.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—POSSIBILITY OF CONTROLLING USE OF TOBACCO

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I asked a question of the Minister of National Health and Welfare (Mr. Lalonde) on May 26, 1977, which appears in *Hansard* at page 5964 as follows:

In view of the known dangers of smoking to health, is the minister considering the possibility of controlling tobacco under the Food and Drugs Act?

The minister's answer was: "Not at this time". This answer is most unfortunate when the matter is so serious. I should point out to the members of the House that this same matter was presented before the United States Senate on the same date as I presented it here in the House of Commons.

Over the past 70 years people have become increasingly concerned with the quality of their environment. Techonological developments have given scientists the means to protect society from once dreaded diseases, and in many cases these maladies are now almost unheard of. One of the reasons for this vast improvement in public health is the discovery and availability of drugs to prevent and cure. However, there is also another component which is often forgotten, and that is the regulation of the purity of food and water.

Perhaps one of the most common defences used to protect our health is the strict standards which our drinking water must measure up to. This same type of protection is also provided to ensure that the food we eat, and the drugs we must take from time to time, will benefit rather than harm us. Similarly, we are exceedingly cautious in the types of chemicals available for general use.

The success of those who administer the statutes and regulations concerning water, food, and chemicals is recognized by everyone. We are constantly made aware by the various media of the concerns of the scientists who are continually examining and evaluating the many new substances which may affect some aspect of our lives. Often we do not fully understand the technicalities involved, but because of the track record of our authorities we accept and respect their warnings.

I would like to turn to a particular warning that has been expressed by health authorities around the world. I refer to the specified danger of inhaling the smoke of tobacco. This danger is, according to those who know, one that is avoidable. However, unlike our water and food, which we also take into our bodies, with a few exceptions the air we breathe is not protected by similar health standards.

It is generally recognized that the use of tobacco products has a long history of social acceptance. Moreover, smoking has become a type of status symbol. We also use smoking to

celebrate a happy event—a proud new father passing out cigars—a carton of cigarettes or a pipe for a Christmas present. However, it is now a well-established fact that smoke can be harmful to smokers, and recent studies indicate almost equally as harmful to non-smokers.

A report completed by Dr. Brunneman and Dr. Hoffman, of the Naylor Dana Institute for Disease Prevention of the American Health Foundation in New York, suggests that non-smokers are suffering seriously if they are subjected to smoke-filled spaces. Their report warns that:

> . . . during one hour in a smoke-polluted indoor environment, we may inhale air polluted with volatile nitrosamines—a possible cancer inducing agent—in amounts equal to those in the sum of 5 to 30 cigarettes.

A report in the Montreal *Gazette* on May 31, 1977, quoted the scientists' paper noting:

> The sidestream smoke of cigarettes and cigars contains at least a ten times higher quantity of volatile nitrosamines than inhaled smoke.

Many Canadians have become increasingly curious as to why their governments, both federal and provincial, have not as yet enacted preventative legislation which could require advertising of tobacco products to include details of the make up of tobacco smoke which could affect smokers and non-smokers alike.

There is a need for authority to control the classes, quantities and qualities of the chemicals in tobacco sold to the smoker, and consideration should be given to the method by which tobacco products are distributed. Tobacco smoke in crowded places used by governments and places under governments' jurisdiction, such as post offices and other public services, aircraft, trains, buses, and marine vessels, ought to be legally restricted. Without such legislation the public cannot sense or believe that their health authorities have a real interest in the dangers of this product.

The Royal College of Physicians recently reported that:

> A cigarette smoker shortens his life span by about 5.5 minutes for each cigarette smoked. Still-births and deaths in the first week of life occur nearly 30 percent more often in the babies of mothers who smoke regularly after the fourth month of pregnancy.

Recently a number of organizations opposed to cigarette smoking tried to force the U.S. food and drug administration to regulate the sale of cigarettes as strictly as the agency plans to regulate saccharin. Two former surgeons-general, Dr. Jesse Steinfield and Dr. Luther Terry, supported the move.

In the June 4 issue of the Toronto *Star* there were several letters supporting the restriction of tobacco smoke in public places.

Ottawa City Council has recently passed a municipal bylaw which prohibits smoking in banks, service areas of retail outlets, office reception areas, elevators, escalators or stairways, and limits smoking to designated areas in restaurants and hospitals. Taxi drivers may request passengers not to smoke, and similarly passengers may ask the drivers to refrain. Toronto has also passed the same type of restrictions, and I understand that Salmon Arm, British Columbia; Richmond, British Columbia; and Calgary, Alberta, are also considering restrictions on the use of tobacco in public places.

[Mr. Robinson.]

Not too long ago I received a letter from a constituent who wondered why we continue to spend millions of dollars on health care for smoking related diseases when these illnesses can so easily be controlled.

With increased medical findings that indicate tobacco smoke does harm to those who do not smoke; when surgeons-general endorse a plan to restrict the availability of tobacco products; when many Canadian municipalities are presently taking it upon themselves to provide for non-smokers, we cannot stand to one side. A failure to enact legislation to regulate tobacco smoke, a move which is receiving great public support, on inter-provincial aircraft, trains, highway buses, and marine vessels indicates that there is a lack of conviction on our part in the concern we have expressed on this matter.

I know that there is great concern for the person who suffers from tobacco smoke. If a hockey stick manufacturer in Quebec can provide a $500-employee bonus as an incentive to stop smoking, then surely we can provide for the non-smoker who does not wish to breathe tobacco smoke. The best way to do this is to regulate the use of tobacco in public places under federal jurisdiction.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to congratulate the hon. member for his interest in the issue of smoking. He himself last year was the proponent of a bill which would have given legal authority for public transporters to regulate smoking aboard their vehicles of transportation. Unfortunately, the opposition delayed the debate so long—

Mr. Knowles (Winnipeg North Centre): The official opposition.

Mr. Lalonde: Yes, the official opposition delayed the debate so long that the bill was not passed. Since then we have been considering the possibility of getting an agreement to have the bill considered and passed quickly in the House by all the parties. I note, however, that contrary to the question raised by the hon. member the other day, this is not something that can be done through the Food and Drug Act; it requires a special piece of legislation.

So far as regulating under the Food and Drug Act is concerned, we have been acting through the means of education and co-operation from industry in the last few years, always with the power to regulate if necessary. But it has been shown, I believe, in one of the steps that has been taken that we can achieve as much by education and by co-operation with the industry. In fact, we can show a natural decrease of 11 per cent among males 15 years and over between 1965 and 1975, declining to 43 per cent in the later years. We see among adult women that the percentage has remained about the same. In the population between the years 15 to 19 the proportion of smokers among young men has dropped from 36 per cent to 30 per cent between 1970 and 1975, and the 1975 survey confirmed that smoking among young women has levelled off at 27 per cent to 28 per cent.

• (1810)

I can also report that the tar and nicotine content in cigarettes has been going down consistently over the last few years, and now there are two cigarettes on the market with tar and nicotine levels as low as 1 and 0.1 milligram respectively. As hon. members know, there has been a discontinuation of radio and television advertising of cigarettes, and there are warnings of tar and nicotine on packages and in printed media advertisements. More recently, manufacturers have been giving particular emphasis to promoting low tar and nicotine cigarettes.

I am not going to say that I am satisfied with the progress which has been made. Warnings, and tar and nicotine statements are too often difficult to read or even recognize, and there is room for further reductions in tar, nicotine, carbon monoxide and other smoke constituents. I would also like to see less emphasis on promoting higher tar brands. We are involved in very active negotiations with the manufacturers on these and other matters, and I am expecting a report on this subject later this month or early in July.

As I have said, I would prefer to see our further goals achieved as much as possible by negotiation rather than by legislation. However, I will not hesitate to consider legislation, including the use of the Food and Drugs Act, if it appears that satisfactory progress cannot be maintained by voluntary measures.

CENTRAL MORTGAGE AND HOUSING CORPORATION—BASIS ON WHICH FUNDS DISTRIBUTED TO PROVINCES

Mr. Peter Elzinga (Pembina): Mr. Speaker, on May 30 I put a question to the Minister of State for Urban Affairs (Mr. Ouellet) inquiring as to what criteria were used in the disbursement of the capital budget commitment for funding under CMHC. The minister stated that the allotment of funds was made in accordance with programs established under the National Housing Act.

The reason I asked that question was that the minister of housing and public works of Alberta has suggested on several occasions that Albertans have been treated less than equitably in past CMHC funding. All one has to do is look at the figures which are available. When we do so, we find that the capital budget commitment for funding under CMHC on a nation-wide per capita basis is $82.68. Albertans receive, on an average per capita basis, $56.94. The province of Quebec receives $80 on a per capita basis. Saskatchewan receives $112, and British Columbia receives $86. Judging by these figures Alberta obviously is not getting its fair share.

The Alberta minister wrote a letter to the Minister of State for Urban Affairs indicating that Alberta is not being treated equitably in this regard. He stated that Alberta is a leading province in economic activity, and that there is good reason to believe that the influx of people into that province will not subside in the near future and may in fact accelerate. The Alberta minister stated that he would appreciate the assurance that, irrespective of the Alberta government's increased initiatives in the housing field, the federal government would make available to Albertans an equitable share of national government initiatives in housing and in related fields. I have stated that on a national average the disbursement by CMHC is $82.68 and that Alberta's disbursement is $56.94, I find it extremely disappointing that a national program like this is disbursed on an unequal basis.

In the statement of the Minister of Finance (Mr. Macdonald) on provincial economic accounts it was indicated that Albertans contributed four times more than any other resident in Canada on a per capita basis. The tab for every Albertan in 1974 was $1,093. British Columbia residents, combined with Yukon and Northwest Territories residents, contributed on a per capita basis $268, and Ontario residents contributed $172. We realize that we have to contribute more because we have a stable, economic climate, no thanks to the federal government. We are deeply disturbed when a national program is extended on an unfair basis nation-wide with Alberta receiving less than its share.

What happened with the Central Mortgage and Housing capital commitment program is happening in many areas. One has only to look at the Department of Supply and Services. Alberta has almost 8 per cent of the population of Canada yet it receives only 4 per cent of the contracts awarded by that department. The same is true of the capital construction program under the Department of Public Works; Alberta receives only about 4 per cent of the total expended under this program.

With the economic activity in Alberta being what it is, we need housing initiatives. I ask the parliamentary secretary to let us know the basis on which the capital budget commitment for funding under CMHC is disbursed to the provinces, what the criteria for programs are under the National Housing Act, and if they are such that some provinces are treated unjustly, then would the department re-evaluate the program so that it is fair to all instead of making second-class citizens of some?

Mr. Walter Smith (Parliamentary Secretary to Postmaster General): Mr. Speaker, I am happy to respond to the question put by the hon. member for Pembina (Mr. Elzinga).

There are several factors which must be examined and weighed carefully in the process of allocating the CMHC capital budget to the provinces. No single factor can be selected as being the most important determinant of the final allocation.

Amongst the most prominent factors are housing needs and demand. The housing needs of the provinces vary greatly not only on the basis of population size, incomes, the condition of the housing stock, and the level of demand, but also in respect of the need for specific programs which are offered by CMHC.

In capacity and performance the provinces vary greatly in their ability to take up funds which they are allocated. In deciding on the appropriate level of support in each province, past performance in the programs is examined as well as the prospects for the coming year.

Consultation between federal and provincial housing officials occurs regularly, and provincial housing agencies are formally consulted on their views and plans with respect to funding levels in each program during the budget preparation process.

As far as the known future activity and federal-provincial agreements is concerned, CMHC, through its regional and local offices, is able to identify in several programs when applications will be submitted for funding. Moreover, some programs operate under agreements between the federal and provincial governments, and these must be taken into account.

In addition to these considerations, CMHC does monitor performance in each province throughout the year and periodically re-examines the allocations in light of provincial intentions and changing market circumstances.

This question stems from remarks made in April by Mr. Yurko, minister of housing and public works in Alberta, in which he suggested that the province did not receive its fair share on a per capita basis of the CMHC allocation. He did acknowledge, however, that Alberta's share had been gradually increased from past years' levels. While it is true that Alberta does receive the lowest per capita share of the capital budget, Mr. Yurko failed to note the high proportion of grants which Alberta receives under the sewage treatment program and which are not reported as part of the capital budget. In 1977, the allocation to Alberta under the sewage treatment program grants is $15 million, or 24 per cent of the national grant budget for the program.

VETERANS AFFAIRS—INQUIRY WHETHER DISABILITY PENSION WILL BE RESTORED TO 1972 VALUE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to raise with the Minister of Veterans Affairs (Mr. MacDonald) the question I put to him on Tuesday, March 1, as reported in *Hansard* at page 3516. My question concerns the rate of the war disability pension.

As the minister knows, the beginnings of a pension on the basis of disability for veterans who had active service were established in the early 1920's, shortly after World War I. At that time the rate of the 100 per cent disability pension was geared to the wage or salary paid to cleaners in the federal public service. During the years which followed many increases were made in that basis rate, but it got so far out of line with wages paid in the public service that, 50 years later, it was a crying shame. Fortunately, in 1972, 50 years later, this was corrected.

● (1820)

The correction established an even better basis than had been established back in the early 1920's. The rate of a 100 per cent war disability pension was established in relation to the composite wage or the average wage of five selected categories in the public service. The rate of the pension is not precisely the same number of dollars, because the fact that the war disability pension is free of income tax was taken into consideration. At any rate, that was the basis on which the rate of the 100 per cent disability pension was established in 1972. It was done after an extensive study of the question had been made by a special tripartite committee.

One of the things the Committee recommended was that once the rate was established on this new basis, it should stay there, that is to say, it should continue to be the average of salaries and wages paid to those five groups in the public service. I was elated with that recommendation and delighted that the Standing Committee on Veterans Affairs approved it and recommended it to the House. But when the minister brought in the bill which had been approved by the government—there is a meaning in there which I hope is not lost, because I am sure the minister would like to have done better—the provision was not to keep the rate of the 100 per cent war disability pension tied to the wage and salary scale to which I referred but, instead, simply to increase that 1972 rate on the basis of the rise in the consumer price index. That happened between 1972 and 1977.

What some of us were afraid would happen and predicted has come to pass. The fact is that now there is a gap of nearly $45 a month, or about $540 a year, between the composite of the wages and salaries of the five groups in the public service and the rate of the 100 per cent disability pension. I know this is only four or five years down the road since the new scale was set, but I hope it will not take until the year 2022 to get the rate back to the basis we established earlier. The minister and I may still be here, but we may have some new colleagues around to whom we shall need to tell the whole story.

I know the minister is interested in this topic. He has answered questions on it a number of times, usually to tell us he is reviewing it. The matter was raised at the last meeting of the Standing Committee on Veterans Affairs by the representatives of the National Council of Veterans Organizations and at that point the minister again said the question was under review. It disappoints me a bit that up to this point all we have been able to get from the minister is the acknowledgement that this question is still under review. I am sure he agrees with me that this cannot go on.

We must not let the same thing happen from 1972 on that happened from the early 1920's on. Let us get the rate of the 100 per cent disability pension for our veterans back where we put it in 1972. I do not like the government forever telling us that it is restraint that stands in the way, because there are a lot of places in government spending where restraint is not practised. That certainly should not be an excuse for not dealing with this important issue.

I am grateful to the minister for being here at this time of the day. I look forward to an answer in which I hope this time he will say something more than that it is under review. At least he has three minutes to say it. I look forward hopefully to the minister's answer.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as many of our colleagues are aware, prior to 1972 the basic rate of pension was amended from time to time,

usually following representations by veterans organizations that the rates had become out of date because of the advancing economy. These increases were usually on a flat percentage basis approximating what was considered to be fair and reasonable at the time.

In January, 1968, the rate of pension for a veteran whose pensioned disabilities were assessed at 100 per cent, and who was unmarried with no dependants, was $265 a month. A 10 per cent increase was granted on April 1, 1971, to bring the rate to $292 a month. The indexing of pensions was instituted, so that because of changes in the consumer price index the rate was increased to $302.51 a month, effective January 1, 1972.

It was recognized that some better method of determining the basic amount of disability pension had to be found, and in 1972 a joint study group on the basic rate of pension was established. This study group had representation from the veterans organizations as well as from the Canadian Pension Commission and the Department of Veterans Affairs.

Their report referred to the historic principle that pension was based on the earning power of a man in the class of an untrained labourer. On the basis that it would be more meaningful and simpler to administer, the joint study group recommended that the basic rate of pension be directly related to the earning power or unskilled categories of public servants. It also recommended that neither the pre-enlistment nor post-discharge financial condition of the disabled veteran should affect the amount of pension, but that it continue to be paid on the basis of the percentage of incapacity caused by the pensioned disability to perform work in the general labour market. If, for example, a veteran lost a limb, he should be pensioned for the loss of the limb and not because it was or was not particularly useful in his trade or profession.

In the upshot, the joint study group recommended that the salary, after tax, of a composite group, composed of five classes of unskilled public servants be accepted as the basis on which the disability pension should be based. This was done, and in June, 1973, Bill C-202 was enacted which established the basic rate of pension in relation to five named classes of unskilled public servants. This resulted in an over-all increase of pension at that time of some 24 per cent. Since then, there have been annual increases based on consumer price index changes, so that today the 100 per cent disability pensioner, unmarried with no dependants or other allowances, receives $556.62 a month.

In 1974, 1975 and 1976, because the pension rate was tied to the consumer price index, it was slightly more than it would have been if it had been tied only to the five categories of unskilled public servant. This year, however, after deduction of income tax, the spread between the income of the unskilled public servant and the pensioner has reached the point where the pension rate is $44.72 a month behind that of the composite group of unskilled public servants.

I am well aware of the spread and have the matter under study. Members of the House are aware, I am sure, that the Canadian Pension Commission and the Department of Veterans Affairs, and the other agencies for which I am responsible, are constantly seeking ways and means of improving the lot of the veterans.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: It being 6.30 o'clock, I do now leave the chair until eight o'clock.

At 6.31 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed consideration of the motion of Mr. Marchand (for Mr. Chrétien) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass, and the amendment thereto of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

Mr. Peter Elzinga (Pembina): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-23 and the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), seconded by the hon. member for Red Deer (Mr. Towers), suggesting that the bill should not be read the third time now but that the committee should have an opportunity to reconsider certain of its clauses.

I have followed the debate closely and I appreciate what has been said by the majority of members taking part. It is obvious to me, from listening to the debate, that the farmers have nobody to speak for them on the government side since no one on that side has participated in the debate on this amendment.

• (2010)

Mr. Paproski: Either that or they are afraid.

Mr. Elzinga: Had it not been for the official opposition, this bill would have been already enacted into legislation and our farming population would have found on February 1 that they would have to keep their figures in terms of hectares and tonnes. The Liberal administration thought that this bill would go through with a short debate prior to the Christmas recess, but as is so often the case western members sensed that this

was something to which the prairie farmer was bitterly opposed.

This amendment to the Canadian Wheat Board Act will not sell another bushel of wheat for the western farmer or raise the price of that wheat by one cent. It simply reduces the cost to the grain companies which have to convert bushels into tonnes for international markets, which they have been doing for years. If this bill is enacted into legislation as it presently stands, we will have many angry individuals in western Canada. I have a stack of letters on this issue, all expressing opposition to it.

Our friends opposite so often talk about democracy, but I think this legislation gives us a fine example of the way the government believes in participatory democracy. I say the government does not believe in participatory democracy. I have a stack of letters close to a foot high and I hope to send out my speech to each one of these letter writers, though if hon. members wish I could tabulate them for the House.

Mr. Paproski: I have some here which I can read too.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order. The hon. member for Pembina (Mr. Elzinga) has the floor for the purpose of making a speech, and I think we should all listen.

Mr. Elzinga: Anyone who travels in western Canada realizes that the majority of the western farmers are opposed to this legislation. I was in my constituency this past week discussing various issues with the farming population, and this was one of their main areas of concern. As the hon. member for Dauphin (Mr. Ritchie) pointed out earlier, they were very disappointed when the government pushed the abolition of capital punishment down their throats, and this is another issue which is being pushed down their throats.

Mr. Marchand: There was a free vote on capital punishment.

Mr. Elzinga: There was no free vote on capital punishment in the cabinet. That was the biggest farce there ever was, and you know it.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Pembina will please address the Chair.

Mr. Elzinga: There was no free vote.

Mr. Roy (Laval): I voted for retention, and that was a free vote.

Mr. Elzinga: A free vote—

The Acting Speaker (Mr. Turner): Order. I suggest we get back to the bill under discussion. Capital punishment is now in the past.

Some hon. Members: Hear, hear!

Mr. Elzinga: As I was saying a little earlier, Mr. Speaker, I have a stack of letters about a foot high all expressing opposition to metric conversion. Rather than read them all into the record, let me refer to one brief letter from Pibroch, Alberta, which is in my constituency, which expresses the sentiments of the correspondence that I have received.

Dear Sir:

I understand that the bills concerning metric changeover have not yet passed in the House of Commons, and I would like to register my complete opposition to the passing of any legislation which would put this metric system into operation. Farming is difficult enough without any further complications, such as this would cause.

I trust that you as my representative in Ottawa will vote against any passing of bills to further change over to metric, especially where it concerns the farming industry in any way.

This is exactly what the amendment seeks. We wish further to consider the clauses affecting the farming population. Clauses 2, 6, 8 and 10 refer to the farming sector and deal specifically with tonnes and hectares.

I believe the minister stated on second reading that all of the farm organizations were in favour of this legislation. The heads of these farm organizations were about as in tune with the people as this Liberal administration is; they did not bother to gather a consensus among their own membership. What happened was that they were brainwashed by our friends opposite to consent to this metric legislation. They followed the foolish advice of the present government.

Since then the locals of the many farm organizations have gathered together in opposition to this legislation. I have a letter from the Westlock District 32 Unifarm which I wish to put on record; it challenges what the minister has said in this House, namely, that the farm organizations were in favour of this legislation. This is another example of hon. members opposite misleading this Chamber. This is a letter from Mrs. Donna-Faye Brown, secretary of the Westlock District 32 Unifarm:

At a recent director's meeting of Westlock District 32 Unifarm a motion was carried that the understated resolution be submitted to Unifarm Region 3 Convention to be held at Freedom Hall on April 5, 1977. A subsequent motion was carried instructing the secretary to forward to yourself a copy of the same resolution.

The resolution herewith reads:

Be it resolved that, in Canada, both the mile and

the acre be retained as the unit of measure in our system of measurement.

It is our hope that the resolution may add strength to the arguments of yourself and your colleagues in the debate concerning metric conversion.

I am encouraged to see the membership rise up in opposition to this legislation. I think that the leaders of various farm organizations have now found that they put themselves in a difficult position in consenting to this legislation at the beginning. We are finding with this legislation, as with so many pieces of legislation which the government brings forward, that the government has no idea of the cost involved. All we can do is estimate the cost. In reality, I do not believe the present administration has even inquired what the estimate is. In the United States the metric conversion cost estimate ranges from $40 billion to $100 billion. Taking the usual ten to one differential between Canada and the United States, that

means that between $4 billion and $10 billion will have to be spent here to convert to the metric system.

As I said earlier, it appears that the government, even though we are facing inflationary times and massive government spending, is not concerned at all with the cost of converting to the metric system. One has only to look at the record of the government to be rather hesitant to support anything that it brings forward.

Sidestepping the issue of metrication for a moment, if we review some of the past happenings on the part of this administration we see that in this country we are facing record inflation, record unemployment, record trade deficits, record budgetary deficits—

Mr. McKenzie: Record deficits everywhere.

Mr. Elzinga: —record interest rates, record mortgage rates, and record over-all prices. We have the highest level of foreign borrowing of any industrialized nation. The way this government has driven us into debt is indeed frightening. As the hon. member for Winnipeg South Centre (Mr. McKenzie) said, we have record budgetary deficits. We find eight out of the last nine budgets presented by this government to this House were deficit budgets. When the minister decides to enter into this debate, I hope he will share with us exactly what metrication is going to cost Canadians.

● (2020)

We received a commitment from the minister that certain portions of this legislation will not be proclaimed until he consults with the various farm organizations. We on this side of the House want more than just what he says. We want some specifics so that we can be assured they will abide by what they are saying to us. We have seen them talking out of both sides of their mouths too often. One only has to look back at the 1974 election, and the flip-flop which occurred shortly after that election in regard to wage and price controls. One can go further back than that and look at the 1972 election when we advocated a modest increase for pensioners and the indexing of personal income taxes. At that time we were severely criticized by our honourable opponents.

Mr. McKenzie: Honourable? Come off it.

Mr. Elzinga: Maybe I should say "not so honourable". Immediately after the 1972 election, when they formed their minority position, we found them implementing exactly what they had criticized us for. On many occasions our party has attempted to be helpful in dealing with this legislation, but we find Liberal members opposite are not willing to take a little bit of good advice and give in to the wishes of the western farmer. Since they have refused to abide by the good advice we have shared with them in respect to this legislation, I can assure hon. members opposite that we are going to put up a strenuous fight in opposition to this bill. If they have any hope of recessing on June 30 with this legislation passed as it is, I think they should seriously reconsider it.

Some hon. Members: Hear, hear!

Mr. Elzinga: It is obvious some Canadians are going to be hurt more than others when we convert to the metric system.

Mr. Marchand: Sharpen up your arrows.

Mr. Elzinga: Oh, we shall.

Mr. Paproski: Look who is sharpening the arrows.

Mr. Elzinga: The over-all cost in the end is going to be assumed by the consumer because of the increase in commodity prices. This is another example of the lack of concern which this administration has for the western farmer. As I said earlier, I have not heard one member opposite speaking to this amendment. That only leads me to believe that there is no one on that side who is seriously interested in representing the view of the western Canadian farmer.

In closing, I commend the hon. member for Red Deer and the hon. member for Qu'Appelle-Moose Mountain for bringing forward the amendment. It was encouraging to see the discussion we had in private members' hour also. We found much the same thing as we are finding in this debate, two western individuals in the Progressive Conservative party put forward a proposition to the government respecting production of papers, and hon. members on that side of the House did not see fit to respond with a western member even though it concerned allegations in the province of Saskatchewan. It is extremely disappointing that a government hoping to govern a nation does not recognize the views of a certain segment of our population, that specifically being western Canadians.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I take great pleasure tonight in rising to support the amendment to refer this bill back to committee. I also take pleasure in the fact that some great members of parliament who sat in this House came from the constituency in which I was born. As a member of parliament, I spoke first as the member for Bow River, Alberta, and now I speak as the member for Calgary North, which is a seat which was created in 1968. My grandfather settled there in 1883.

Like many hundreds of thousands of people, my father went out to western Canada. He stopped at a place called Saskatoon. At that time there were two houses, a few tents and a slew on Second Avenue. My father was a city boy, a chartered accountant from London, although he was Welsh. He met a man by the name of MacMillan from Glengarry, Ontario. They had a discussion concerning where he should settle and decided to go southwest of Saskatoon. At that time in 1905 there was no railroad. On that site today there is a town by the name of Rosetown. There used to be a constituency by the name of Rosetown-Biggar. A very distinguished gentleman used to have breakfast at my home on many occasions, a Mr. M. J. Coldwell.

An hon. Member: A great Canadian!

Mr. Woolliams: Yes, he was a great Canadian. He was a very able member of parliament and was always a gentleman.

I take great pride in entering this debate tonight because I hold in my hand Christie's Assessment and Tax Roll for Saskatchewan. When the settlers flocked from Europe, Ontario and Quebec to settle the west, they came from various walks of life.

Mr. Marchand: We were there first.

Mr. Woolliams: I do not know what you are talking about, but I am talking about history which the prairie people are proud of.

Some hon. Members: Hear, hear!

Mr. Woolliams: I would hope the minister would be as proud of the prairie provinces as I am. That is where I was reared. I was one of the grandsons of people who came from Quebec, Ontario, Europe and Asia.

The first school established at Rosetown was 2196 Muirland school. Last summer I was back visiting the old homestead, which is a beautiful home but no one is living there, and I went into the old library. It touched my heart to find the Christie's Assessment and Tax Roll which goes back to 1906. My father put together the list of the first settlers who settled there. In those days each settler was given a quarter section of land under the Torrens Land System, the metric system. If you did certain things to the land, then you could buy another quarter at $1 an acre. That country, which I am talking about with great pride, became the bread basket of the world. At 17 years of age I had the privilege of teaching school in a place called Zealandial, Saskatchewan, and 90 per cent of the people there were French Canadians, and great settlers.

In the area just south of there where I was raised, the settlers came from Ontario and Europe. When I look down the list of names of people past and gone, I see names like the Russells, the Ritchies, Frank Woolliams, Charlie Palmer and many others. They put together a school in western Canada—Muirland school 2196. The taxes on each quarter were $8 in those years. It is all written down as to who paid and where.

The Torrens Land System was not something created by Canada, and that is why I mention it. It was created by a man from New Zealand, Mr. Toms, Q.C., who is also gone now. His partner, Frank Bestido, Lieutenant Governor of Saskatchewan, wrote a book, "The Torrens Land System". Long before people came from Ontario, Quebec, and various countries in Europe, surveyors carved out a system called the registration system according to which they divided the country into sections of 640 acres, each quarter section being 160 acres. That is the history of the west, the history of the bread basket of the world.

● (2030)

The bread basket of Canada has poured millions of dollars into Ontario and the industrial centres, buying farm machinery, cars and trucks. I see today in western Canada—I was home on May 24—a man with a tractor pulling 85 feet of drills, and I think of my father who told me that when he landed in Saskatoon he saw a mile and a half of Van Brunt drills for sale and I think of the government which is ready to destroy our history. I think of the history of the development of the west, and I think of the time when telephones came in 1915. I remember hearing my father tell me when I was a boy that if you seeded land between one telephone pole and another at the edge of a quarter section of land, you had seeded ten acres and you had done half a day's work. That is the history of the west which the government is about to destroy with the metric system.

Today a farmer in the west and his family take great pride in speaking of their acres. He speaks about having threshed and combined the grain and having 30, 40 or 50 bushels of wheat to the acre or, if it was oats, of having 80 or 90 bushels to the acre. It is a great thrill, yet all that is to be done away with. Why, I do not know. Sometimes a person should use stronger language. I have crossed Manitoba, Saskatchewan and Alberta. If the minister, who is here tonight and who heckled me when I rose, does not believe that people have a great feeling and a great affection for that region which gave this country power and money from the grain—

Mr. Marchand: I know a little bit about history too.

Mr. Woolliams: Then don't heckle and don't support this bill which will destroy the history of the west. If you want to make a speech I will listen to you. What I am saying to you is that the government is bringing in the metric system. What does it all mean?

Mr. Marchand: Logic.

Mr. Woolliams: It will destroy all we stood for, destroy our traditions. That is what the minister wants. Let him go out and make a speech anywhere in the farm belt and he will find out the reaction.

Mr. Paproski: What do they know about the farm belt?

Mr. Woolliams: I want to talk about the metric system for a few moments. Until now I have discussed the history of the west. I will read from an article which was written in 1906 which is pasted to the cover of the book. What does it mean? All the farms are divided into 160 acres. If they have more than a quarter section, say a section, that would be a farm of 640 acres. Every township has 36 sections. There are nine townships to a municipality, and of late they have formed countries. That has been the history and tradition of the west. Now, my friend, the minister, who says I must not lecture him, says, "What does it matter? This change is logical." In time, as my good friend who just finished speaking said, there will be a deficit of $6 billion or $7 billion. When I spoke on second reading I said it will cost each province at the very least $100 million to convert to the metric system.

Every seed drill will have to be changed. You know what a seed drill costs today? It used to cost $90. Now it costs $14,000. You know that every seed drill has a little gadget on it that has not been changed in 60 or 70 years. You move it when you put in the grain and it shows what you seed per acre. All that will be gone. What is history to this government?

What does the government feel? They put the Minister without Portfolio (Mr. Horner) in the cabinet. Where is he tonight? When he sat on this side, did he speak out on the metric system? No. His father was made a senator. R. B. Bennett would know, his brothers and his sisters would know. He was supposed to save the west. All I can say is that little Jack Horner sat in his corner playing with his metric system.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): I suggest to the hon. member for Calgary North (Mr. Woolliams) that when he refers to members of the House he must refer to them by riding, not by name.

Mr. Woolliams: I did not refer to his riding because at one time I represented Bow River which was half of Crowfoot. I just quoted a little poem and I did not know whether Mr. Speaker would appreciate that I was referring directly to the new Minister without Portfolio who will try to take credit if this bill dies.

The people who will save western Canada from this bill and from this kind of legislation which will destroy our history are creating impossible situations which I will deal with in a few minutes. They said, "If we had a voice from Alberta in the cabinet, what we could do". They are still running over us. As I said, every parcel of land was surveyed. There are 160 acres to a quarter, 640 acres to a section, 36 sections to a township, and nine townships to a municipality. Now we have counties. As a lawyer I can tell you that you can go into any land titles office in western Canada and you can do an historic search.

You can see here that Mr. Wotherspoon from Harris, Saskatchewan, has a south east quarter, section 18, 160 acres. If his name is on that title in the land titles office and nothing is stamped on the back of the title, he knows he has a clear title to his land. Even if someone had a mortgage or a debt, unless he is registered, when that land is transferred, it can be done with ease because by law it goes to whoever the person is to whom the land is transferred. That system has been admired not only in Canada but throughout the world. In fact in Ontario, which has a different system of measuring land, you have to go back 200 or 300 years, and unless you have been practising law that long, you would have difficulty finding the title. Some of the firms in Toronto can tell you that that file contains a historic search of the land title and in 1960 they proved it was clear, but a young lawyer would have to go to the beginning of time to find out how many chains long that land is.

● (2040)

Our system is our history and our tradition. Every farmer and every person who lives in the city knows that if you go to the land titles office, you can check a title in two minutes and make a transfer with ease.

I dealt with how land was surveyed. If you go north or south in Saskatchewan, Manitoba, and Alberta, every two miles there is a road allowance. If you go east or west, there is a road allowance every mile. The roads are measured in rods and feet, and land is measured in acres, not hectares. I checked with my son-in-law to find out what he is earning per hour as a surveyor. He earns about $18 an hour to re-survey western Canada on this new system. I said this would cost $100 million. I apologize. To change quarter sections, sections, townships, municipalities and counties to the new system would probably cost $500 million.

The minister, who has left the House, said the new system was logical, but the government says it does not want to upset anybody politically because it now has a new minister from the west. The government wants to create more Liberals for the Liberal party, so it will not force people who now measure in acres and rods to use hectares and metres. That is only to be done when people sell their farms.

I listened to the hon. member for Vancouver-Kingsway (Mrs. Holt) talk about lawyers. If there ever was a chance for lawyers to make a fortune on estates, this is it. Every time somebody dies in Manitoba, Saskatchewan or Alberta, acres have to be converted to hectares and rods to metres, and what will the legal bills amount to? The governments of the provinces I spoke of are going to have to fork out money, but the man who owns the land will have to pay as well.

Let me go to another problem. The cities of Calgary, Edmonton, Winnipeg, Saskatoon, Regina, Red Deer and others have the same system. There are lots within blocks, the same as with farmlands. The minister said the new system was logical. It is not only not logical; it will destroy the history and the very fabric of what western Canada was built on, and it is going to cost every taxpayer, whether he lives in the city or on the farm in western Canada. It will cost each taxpayer hundreds of dollars just because somebody likes the idea of changing acres to hectares and rods to metres. If ever there was a bill which should be defeated, this is it. There is no reason for it.

In 1928 we produced a great crop, 600 million bushels. Since then, in the 1960's and 1970's we produced 700 million to 800 million bushels, but in 1928 it took hard work to grow that grain. Men worked with horses and small machines and built this country to the point where it is known as the finest breadbasket in the world. Everything is measured in bushels per acre when the cars take the grain to the ports. Nobody has complained internationally.

I hear many cries in this House about culture in certain areas of the country, but it does not matter about our culture in western Canada. People from Ontario, Quebec, Europe and Asia came and settled in the west, and they built the roads. I am told that if we took all the roads in the rest of Canada, there would not be as many as there are in Saskatchewan. All the roads in Saskatchewan are measured in rods and feet, and the land is measured in acres.

I am glad that my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), is in the House. I paid a great compliment to a former leader of his. However, I wish that a farm member from his party had stood and spoken as I have

spoken tonight. The NDP government in Saskatchewan has beaten this government in the race. Perhaps St. Laurent was right that members of the CCF were only Liberals in a hurry.

I have in my hand the Saskatchewan *Gazette* for April 30, 1976. Under "Regulations Under the Regulations Act" it says:

All plans submitted for registration purposes in any of the Land Titles Offices shall be subject to the approval of the Chief Surveyor—

Nobody complains about that.

—and all surveys, performed on or after July 1, 1976, plans of which are intended for registration purposes, shall be drawn with Metric measurements . . .

What a pitiful situation for the farmers. They are only now waking up to this. The only reason farmers and city people know what is happening today is that there has been a week of debate. The farmers do not want this, and neither do city people. Members of the NDP are Liberals in a hurry. Whether the provincial government will enforce metrication without this federal legislation, I do not know.

I see that someone has called the Minister without Portfolio, and I hope the minister from Crowfoot will take a position because he did not speak in the House on the metric system when he was a member of my party. I hope he speaks tonight, and I hope he speaks in cabinet. I want the Minister without Portfolio to call the deputy premier of Alberta, who is a great personal friend of mine, Hugh Horner. I want the minister to tell him that he supports what I am saying.

Mr. Marchand: He is a good friend of Jack's, too.

Mr. Woolliams: I am sure he is.

Mr. Hnatyshyn: Not politically.

Mr. Woolliams: I do not know about that. I am not getting into that subject.

Mr. Fox: Let's keep politics out of it.

Mr. Knowles (Winnipeg North Centre): Let brotherly love continue.

Mr. Woolliams: I underestimated what this is going to cost the country, but apart from the cost, surely the history of western Canada, which was started by my own family in one area, is important. Mr. Coldwell from Saskatoon-Biggar was part of that history. I have records here from the Muirland School District 2196, and they show quarter sections being sold for $8. All the settlers' names are here. They came from Ontario, from Quebec, from Europe and from Asia. We all started out together. They raised their sons and daughters. Now the grandchildren and the great-grandchildren are on the land. That land is measured in acres, quarter sections and sections.

The minister scoffed. He said it was logical to do this. It is the most illogical thing I have seen put forward, and although the political philosophies of the Minister without Portfolio differ from mine today, I am sure he will speak in cabinet and in this House and lend his voice and all the ability he has at his command to fight this kind of legislation.

[Mr. Woolliams.]

• (2050)

I should like somebody to explain why we must have a metric system. Surely the farmers could be exempted and the lots and blocks in the cities could be exempted from registration. Can we not go that far? If ever there was a justifiable and reasonable motion it is this one which calls on the House to send this bill back to the committee for further study.

I want the people of western Canada to know that the Progressive Conservative Party stands alone in opposing this legislation tonight. I want western Canadians to know where the minister from Saskatchewan and the minister from Alberta stand—I want them to stand against this bill.

Just because the Minister without Portfolio crossed the floor does not mean we are not still friends. I admire him and I want him to stand in this House now and tell us that this is one thing he will not sacrifice for a cabinet post—the destruction of the historical background of our country. I want him to stand for the farmers, but I do not want him ever to stand on a platform and claim he spoke out the way my colleagues did this afternoon and as I am attempting to do in my own inimical way tonight.

Some hon. Members: Hear, hear!

Mr. Woolliams: We hear a lot of talk about national unity these days, Mr. Speaker. Is there anything that would destroy national unity in the prairie provinces faster than this bill? It is a short and simple bill but is very destructive of everything for which we stand.

This is an historic night because there is an election going on in Ontario, Mr. Speaker, and I can understand that members want to know how things stand there. When I finish my remarks I will go and see for myself.

Mrs. Holt: It is a minority.

Mr. Woolliams: We do not know that. Even if we are a minority we stand against this kind of dictatorial authoritarian government that wants to destroy the fabric of our country. From the bottom of my heart I plead with the government to drop this bill. Get it out of the way. Even voting Conservative should not be such a crime that the fabric of our history and traditions is to be destroyed. That is my plea.

In the early 1900's the President of the Saskatchewan Grain Growers' Association addressed that body in Regina. He said:

In referring to this subject in my address to you a year ago, I made the statement that what was wanted was "a general recognition by all classes of the importance of agriculture, and an honest endeavor by all to place it in the position to which it belongs." The importance of agriculture is now fully recognized, it being admitted by all that only thru the prosperity of agriculture can our country as a whole be prosperous. What is being done in the way of permanent assistance? Very little. However, there is an abundance of advice from almost innumerable sources, and no doubt of good intention, yet of such a conflicting nature that the farmer has about come to the conclusion that he had better follow his own dictates. Mixed farming has been the cry—raise hogs, etc. What do we find in connection with the marketing of hogs? Exactly the same conditions as with wheat.

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

He may continue with the unanimous consent of the House. Is there unanimous consent?

Mr. Woolliams: Mr. Speaker, I can end on that note. I just want to add that the foregoing address was published on February 17, 1915, but the same problems exist today. I wanted to speak tonight because of the destruction of the history of our country.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I had not planned to speak tonight but the Grecian eloquence of the hon. gentleman who just spoke has brought me to my feet, magnetized by his magnificent oratory and the plea he made to the stoney hearts of the government to stop this attempt to crush the western farmer beneath their grinding heel.

I do not think there have been many speakers from the east in this debate and I believe it is the time for Newfoundland to come to the aid and assistance of Alberta, Saskatchewan, and Manitoba.

Some hon. Members: Hear, hear!

Mr. Crosbie: It is quite obvious that the elevation of our late colleague to the late cabinet is not working; the western farmer is as deserted as ever. Despite the movement of the Minister without Portfolio (Mr. Horner) across the hallowed precincts of this Chamber, the western farmer is still left without a friend in cabinet.

I had hoped that the Minister without Portfolio would speak tonight and explain to the House what his policy is with respect to this legislation. So far we have not noticed any great changes in it. The House has been promised that if the legislation is passed—that if members of the House endorse this attempt to impose the metric system on the western farmer—the relevant clauses will not be proclaimed until sometime in the future. We do not know when, but probably when the government is satisfied that the western farmer is properly quiescent it can sneak the proclamation through by order in council. It will not proclaim these sections of the act immediately, ministers promise. That is the inducement held out to members on this side to go along with this pernicious piece of puffery. We are not going to be taken in by that, Mr. Speaker.

The same gentlemen who brought us wage and price controls now attempt to bring in the metric system for western Canada in the same way. They promise it will not be proclaimed, but in a few months time we will hear that there is a national emergency and that if they do not proclaim it the country is going to collapse. They will go ahead and proclaim it. Surely they cannot expect anyone on this side of the House to buy that proposition.

I have not spoken on behalf of the Newfoundland farmer before; this is a new departure for me, Mr. Speaker, and I am glad to speak on their behalf. We do have farmers in Newfoundland, Mr. Speaker, although I know that is hardly expected when one realizes the sophistication of the Newfoundland members in this Chamber. We are an extremely sophisticated group—even the Liberals—but still we do represent farmers and fishermen. And our fishermen are quite sophisticated too, just as western farmers are sophisticated.

The western farmer is not going to have the sheep's wool pulled over his eyes—he is quite well aware that what someone is attempting to pull over his eyes is made out of false wool.

In my district of St. John's West the farmers unilaterally oppose this attempt to inflict the Liberal metric system on them. The dairy farmers in my corner of the world—and we have in the houlds at least 20 or 25 dairy farms—expect a gallon of milk from a cow, not some kind of metre or millimetre or whatever amount they are going to get in the future. They are used to milking their cows and getting a gallon.

● (2100)

The farmers of the houlds are dairy farmers, but we also have fine farmers in my district who grow potatoes. There are some ignorant people in this House who think we have no agriculture. We grow a magnificent root crop; our soil is ideally suited for root crops. We have the glorious potato, brought in from Ireland in the 19th century. It grows well in Newfoundland, and we are used to gallons of potatoes, not litres. We use the peck and the bushel, and we do not want the metric system imposed on top of these measurements until there has been some period of education and some public money spent to educate the public beforehand.

This legislation is all of a piece with the Minister of Transport's policy of user-pay. The Minister of Transport (Mr. Lang) is also the minister responsible for libel and slander, and the minister responsible for the Wheat Board. He was here this afternoon but is not here this evening. He is not here this evening because the minister who is not responsible for anything, the hon. member for Crowfoot, is here this evening, and we are hoping that the minister not responsible for anything will be speaking this evening on this bill, because we understood that the main reason he crossed the floor of the House was to see this piece of legislation stopped. So far it has not happened.

How does this legislation tie in with user-pay? It ties in in this manner. If this legislation passes, the user will not know what he is paying. It is too obscure. It is like the user-pay principle, from which the Minister of Transport is now pulling back. But he wants this honourable Chamber to pass this legislation. How do I conclude that the user of products will not know how much he is paying for something? He will not know, because he is not familiar with the units of measurement measuring the goods for which he is asked to pay. I have here, in this Chamber, proof of a sinister Liberal plot whereby the consumers of Canada will not know what they are paying for what they use.

In my hand I hold an advertisement from the *Advocate Farms News and Shopper,* that world famous newspaper published in Alberta, I believe. It shows that you can buy a Chun King dinner, in a 1.13 kg. tin—I presume that's a kilogram tin—for $1.65. Mr. Speaker, how am I to know how that translates into an ordinary tin? What's a "kg.?" Here I

am, an ordinary little shopper going into the ordinary shop to buy a tin of Chun King dinner, and I am faced with a 1.13 kg. tin which costs $1.65. How can I compare that to what I bought last week? How am I going to know if the price has gone up or gone down? How am I going to know if I am getting a bargain or not getting a bargain? Your average housewife is going to go berserk when she faces this sort of thing, when she goes to the supermarket and has to figure it out.

Let's say she goes in to look for coffee. We all know how high coffee has climbed recently. It has got more and more expensive. We even have to pay 20 cents for a cup of coffee in these hallowed precincts. The only reason why so many people are fighting to get in here is that they can buy cheap coffee, at 20 cents a cup. We get a real bargain here in coffee. Everywhere else in the world the price of coffee has gone sky high. Brazilian coffee is now very expensive.

Let's say the poor housewife goes into the supermarket and wants to buy some coffee. She sees this very attractive advertisement I hold in my hand, printed in black and white. The white letters say "Don't forget"; I don't know what they are asking you not to forget, but that's what it says, "Don't forget." Looking below that, she sees coffee listed. She can get Airway whole bean coffee; that surely is a good brand of coffee. Then she sees she can get a 907 g. bag. What in the name of heaven is the poor soul going to do when she sees that? How does she know how a 907 g. bag compares with a tin of coffee? We used to be able to call them tins. You went in the shop and you bought a tin of coffee. Now a 907 g. bag costs $4.69.

Well, let's say she wants to drink crystals. She may be a crystal drinker. I believe out west they drink a lot of crystals. They have a lot of dry weather out there, a lot of dust. It makes them drink crystals. You can buy Empress orange flavours. You can get 4 × 9.2g. pkg., apparently for 77 cents. What in the name of heaven is she to make of this? That's why I say this is an accompaniment to the user-pay policy, that is to say, the user will not know what he is paying under this policy. And it has been brought in because the Liberal government has been able to control inflation.

If the government has been able to control inflation, we would never have had this bill before us, never. Inflation was at 10 per cent; now it is at 7.8 per cent, I believe, and going up. The wage and price controls have failed. They are an utter and abysmal failure and not working. Inflation is vibrating through the economy again and the government, aware it cannot control inflation, does not want the public to know inflation is still going on, so it is changing the whole measurement system to make sure nobody can tell if it has gone up or gone down.

What is going to happen to Statistics Canada if this barbaric plot is enacted in legislation? I do not want Mr. Speaker to think that I am not being relevant to this bill. I relate my remarks to Clause 3 of the bill, the amendments to the Consumer Packaging and Labelling Act. I would have thought the Minister of Consumer and Corporate Affairs (Mr. Abbott) would have gone off his rocker when he saw his name used like this in this bill, I imagine even without his permission. These amendments to the Consumer Packaging and Labelling Act would remove the reference to Canadian units of measurements and would thereby eliminate obligatory dual marking in favour of single metric marking. Ah, Mr. Speaker, they think we can't read, that we can't understand what that means. That means that we will not have two systems of marking, one alongside the other, so that the person used to the original system can see how the original compares with the new, and therefore know the new means. That is what the dual system would do. But they are going to eliminate that in favour of single metric marking.

Mr. Speaker, with single metric marking there will not be a mother in the country who will know what she is paying. What is the Minister of Small Business (Mr. Marchand) doing about this? He is assisting the business community to give every mother the "business," if he allows this to go through the House. I ask the minister to look at Clause 3 of the bill. I will bet you it was not discussed in the sacred precincts of the cabinet room in the East Block, or wherever the cabinet meets. Perhaps it meets in the West Block now since the Minister without Portfolio has joined the cabinet. I am sure he would not meet in the East Block, so it would have to be the West Block.

Did the cabinet study this clause providing for the elimination of obligatory dual marking in favour of single metric marking, because not a consumer in the country will know what he is paying, except the CBC. The CBC will be able to figure it out; it has a staff of tens of thousands. Perhaps 10,000 of them will be put to work figuring this system out, figuring out what single metric marking amounts to. But the rest of us do not employ staffs of tens of thousands. CTV does not have that large a staff. I don't know how CTV is going to do it.

Mr. Paproski: What happened to your film?

Mr. Crosbie: I will come to that in a moment.

The next item in the advertisement is very serious for those who like pancakes and waffles. You can buy Empress syrup for pancakes and waffles in 1.25 kg. bottles. Even the Russians are coming into it; they talk about the kg. Then, you can get tomato juice, Libby's Canada Fancy in a 540 ml. tin, for 39 cents. How is anyone to make sense of that? Are the constituents of the hon. member for South Shore (Mr. Crouse) in Nova Scotia to go into a food store and know what a 540 ml. tin for 39 cents is? How will the housewife compare that tin with last week's ordinary, human tin, with the tin she understood, a tin that had some warmth, a tin she could recognize, the cost of which she knew? When she sees this tomato juice listed at 39 cents she will think, "My God, this is a bargain!" She is going to buy a 540 ml. tin, but it may cost twice as much as it cost the week before.

The western farmer does not want to engage in this conspiracy against the consumer. It is the Liberal government that is engaging in this conspiracy. The western farmer wants to sell his products honestly, in acres, or bushels per acre. He doesn't want to sell it per hectare. Whoever heard of the likes of it?

He wants to sell his produce in an honest fashion. He wants the housewife to know how much she is buying when she buys a bushel. He is not interested in the hectare—I have trouble enough pronouncing the word. Anyway, I don't like it.

Mrs. Holt: What do you like?

Mr. Crosbie: The hon. member for Vancouver—whatever it is—will have her chance to speak in the debate.

An hon. Member: It is Vancouver-Kingsway.

Mr. Crosbie: Since the hon. lady will be here only a few more months, until the next election, she had better speak as often as she can.

● (2110)

Mrs. Holt: Don't you ever worry?

Mr. Crosbie: I have heard from Vancouver that the hon. lady is finished.

Mrs. Holt: I don't deal in irrelevance like you do.

Mr. Crosbie: That is why the hon. lady is finished. Is the hon. lady going to vote for the bill which will blindfold the consumer? I always understood that she—

Mrs. Holt: Baloney.

Mr. Crosbie: You won't even know how much baloney you are getting.

Mrs. Holt: No matter how you slice it, it is still baloney.

Mr. Crosbie: When you go to caucus every Wednesday you don't know how much baloney you are getting.

Mr. Douglas (Bruce-Grey): The hon. member does not know that "pkg" means package.

Mr. Crosbie: Thank you. It is like the Liberals to help us underprivileged.

Mrs. Holt: And they are truly endowed intellectually.

Mr. Crosbie: The Chamber will be descending several millilitres if the hon. lady continues to heckle me. We never had any ladies in the Newfoundland legislature. Now I have to watch my language all the time.

Mrs. Holt: Some day I will tell a Newfie joke.

Mr. Crosbie: I have a British Columbia joke, but I will not tell it here. Since the opposition will be taking all the British Columbia seats in the next election, I do not want to interfere with that.

Mrs. Holt: I will compare my majority with yours any day, my friend.

Mr. Crosbie: I will accept a majority of one if it is held up in the courts. As long as I lead by one vote, I do not mind. I do not want to give up being in this Chamber every Thursday. I would miss terribly being here, listening to the debate, seeing the fate of the government hanging on every breath. That is what I would miss the most.

I want to get back to what I was saying in connection with Clause 3 of this bill. When the average consumer of fruit cocktail goes into a store, he wants to know what he is getting. When he sees a Libby's Canada Fancy U.S.A. 796 ml. tin, if he does not leave the store before he gets that far, he finds it is 75 cents. He will not know how to compare that tin with a tin that last week would have been something else if it was not in ml's., which I presume is millilitres.

On and on it goes. They have even done it with the mushroom soup. Nothing is sacred any more. Now I will get to the hon. lady for Vancouver-Kingsway (Mrs. Holt).

Mrs. Holt: Come on.

Mr. Crosbie: Served with sodas. The 284 ml. tin of mushroom soup, Campbell's condensed, sells at four for $1. It will certainly be condensed if it is in millilitres. I do not want to bore the House.

Mrs. Holt: You have done that already. You do not even have to try.

Mr. Crosbie: I do not want hon. members to think my remarks are not well founded. This was referred to in a brief submitted to the Standing Committee on Finance, Trade and Economic Affairs by the Consumers' Association of Canada. I am not making this up. I do not have that kind of imagination. This is a serious point.

The Consumers' Association of Canada, an association with tens of thousands of members across the country, stated in their brief, and I quote:

> We do not want to impede the progress of the bill—

I do not want to impede the progress of this bill. None of us want to do that. We do not want to impede the progress of the government. The government has done a good enough job of that itself. We do not want to impede the progress of the government until the next election.

I continue the quote:

> —but urge the deletion of clause 3 the intent of which is to "Remove the reference to Canadian units of measurements—"

In the United States that would be called un-Americanism. They have a committee on un-American activities. We should have a committee on un-Canadian activities.

> "—(in the Consumer Packaging and Labelling Act) and would thereby eliminate obligatory dual marking in favour of single metric marking."

Wait until the media find out what is happening in Clause 3. I do not know whether it will be on the CTV national news tonight. Pass the message to CTV that I will be available in fifteen minutes.

Mr. Douglas (Bruce-Grey): They are not looking for a silly filler.

Mr. Crosbie: I would cause a quick reversal of this bill.

Many people thought there would be an evident change of policy with reference to the western farmer once one of the most well known western farmers got into the government. I often hear the hon. member for Crowfoot being sung about, in the famous song "Them Boots was made for Walking." He walked over to the other side into the cabinet.

The farmers of western Canada, the farmers of eastern Canada, those who grow wheat, those who grow barley, those who raise beef on the hoof, those who raise poultry, those who raise chickens, those who raise ducks, those who raise pork, and those who raise pigs, are waiting to see what change there will be in government policy.

Will the Minister of Agriculture (Mr. Whelan) finally be brought to his knees? Will the minister responsible for the wheat board be brought to his knees as well? They were both on their knees before the hon. member for Crowfoot crossed, praying that he would not cross. Will they be brought to their knees again by the hon. member for Crowfoot and have a little humanity introduced into their policies as well as a little consideration for the western farmer who made this country what it is?

One of the great representatives, the right hon. member for Prince Albert (Mr. Diefenbaker), is on this very day in London, England. While he is gone they are attempting to sneak this through the House. I wish he were here tonight with his eloquence. The hon. member for Assiniboia (Mr. Goodale) misses the right hon. member for Prince Albert in view of the attention he paid him a week or two ago in a debate in this House.

We are all waiting to see what the Minister without Portfolio will announce in connection with this bill. Is he going to let us talk until 10.15 before he gets to his feet to announce that while the Prime Minister (Mr. Trudeau) has been away there has been a dramatic coup, we have a new Prime Minister, and the metric bill is being withdrawn? Is that what is going to happen?

The Prime Minister of the Seychelles went to the Commonwealth Conference in London. Lo and behold, two or three days later he was no longer the prime minister of the Seychelles. He did not have a "Sey" and he did not have a "chelles". He is out in the cold. Could the same thing happen to the right hon. member for Mount Royal? Could he be removed while in London at this Commonwealth Conference? Will the Minister without Portfolio carry out his promise to the hon. member for Rocky Mountain (Mr. Clark) that there would be a *coup d'état* as soon as the Prime Minister left the country?

We are not interested in the Ontario election tonight. We have another hour and ten minutes to see whether the Minister without Portfolio will announce a dramatic reversal of government policy. Is that why the Minister of Agriculture tonight is somewhere in deepest Ontario hiding? Is that why the minister responsible for the wheat board is not here this evening? Is that the reason why the Minister of Transport is so touchy these days about an ordinary insulting article about him? Is that what is driving him to wild chicanery, using his cabinet influence on the newspapers of his fair province? Is that why he is so irritable? Is it because not only his user-pay but the user not knowing what he is going to pay is going to be reversed?

To get back to the bill, Mr. Speaker, we recognize that the west is the grain basket of Canada. It is not Newfoundland. We know we cannot compete with Manitoba, Saskatchewan and Alberta in growing wheat, barley or corn.

Mr. Mazankowski: Or rape?

Mr. Crosbie: Yes, we can compete with rape. We will match them with rape.

Mrs. Holt: Rape what?

Mr. Crosbie: However, we cannot compete in most other agricultural products.

I also want to mention the fishermen because I am sure they are involved in this diabolical plot. Fish are sold in quintals. What will happen to the quintal? Is the quintal to be tossed aside as though it were an abandoned wife? Is the quintal to be no more, just because a Liberal government in Ottawa has been in office for 30 years, arrogant and drunk with power? Does it intend to slash the quintal away? The quintal has stood us in good stead since 1497 when the first Italian immigrant came to Newfoundland, John Cabot. I want the Minister of State for Multiculturalism (Mr. Guay) to note that the descendants of Cabot are waiting in Newfoundland for a multicultural policy that will do something for the Cabots.

● (2120)

An hon. Member: Does a squid squirt metric?

Mr. Crosbie: That is a neat question, Mr. Speaker. What is going to happen to the quintal? What is going to happen to the hundredweight if this vile piece of legislation passes the House tonight? What is going to happen to the fishing industry if this vile piece of legislation passes this House tonight? Hon. members opposite will have a lot to answer for.

I want to point out something else in the bill. I do not want hon. gentlemen to think I have not read the bill. I have read every bill in this book. I spend my nights reading bills.

An hon. Member: How about paying them?

Some hon. Members: Oh, oh!

Mr. Crosbie: I try to avoid paying them. Let us turn our attention to a very liberal clause in this bill, Clause 4, the gas inspection part of the bill. Every Liberal will be familiar with that. Every Wednesday morning they get injected with a little Liberal gas at the caucus so that they will all say "Hear, hear" and "Hurrah, hurrah" every time they get a new convert to the cabinet. Clause 4 says—listen to this; I do not want any heckling while I am reading these sacred clauses of the legislation.

Mr. Goodale: What is a megajoule?

Mr. Crosbie: My golly, he is right on the bit, there. It says:

The unit of measure for the sale of gas by energy units shall be the megajoule or the British thermal unit.

Well, on behalf of the right hon. member for Prince Albert I am glad to see the word British left there. What is this word "megajoule"? What language is that? Is the minister who was formerly without portfolio and is now without culture here tonight to explain to us what language the megajoule is?

Mrs. Holt: Talk about lack of culture, for heaven's sake!

Mr. Crosbie: The hon. lady from Vancouver-Kingsway (Mrs. Holt) is definitely a jewel. I don't know whether she is a megajoule or not. But who will explain what a megajoule is?

Here is an even better example that we should notice:

The unit of measure for the sale of gas by mass shall be the kilogram.

What does that mean? I ask the minister from Alberta: does the oil and gas industry know about this? Have they been alerted to this? Do they know that the btu's are going to be megajoules—that the family jewels are going to be btu's, or whatever, and that gas is going to be sold en masse by the kilogram? Have the lobbyists been paying so much attention to the Mackenzie Valley pipeline that legislation like this is going through the House without their knowledge?

Mr. Speaker, if the hon. lady from Vancouver-Kingsway wants to rise on a point of order I see no reason why she should not. She is sitting there, mumbling away, disturbing my train of thought to the point at which I have not been able to put together a disconnected sentence tonight.

Mrs. Holt: How can you put it together when you haven't a thought to begin with?

Mr. Crosbie: How much is beef on the hoof going to be under the new system? The hon. member for Medicine Hat (Mr. Hargrave) spoke eloquently earlier today. He has a lot of beef on the hoof and he is a worried gentleman. He is a productive member of this Chamber, and there are a lot of productive people in Western Canada who will be considerably less productive if this bill goes through. I do not know how long it will take to get people used to this system.

Another thing. I am sick and tired of hearing the temperature here in centigrade, or whatever it is. Let us have the old fahrenheit given with the old centigrade. I get up in the morning and hear it is seven degrees. So I get out my muffler, my coat, my hat and my boots, and out I go. I find it is not seven degrees, but something like 30 degrees.

Mr. Horner: Forty-seven!

Mr. Crosbie: Then I hear it is 22 degrees. I still go out in my coat and my muffler and find it is well in the seventies. I am fed up with it. If I am to live here in Ottawa I want to know what the temperature is.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired. If he wishes to continue he must get the consent of all hon. members. Is there consent?

Some hon. Members: No.

Mrs. Holt: Twenty minutes of nothing is enough.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I shall not take up the time of the House for too long after that excellent address by my hon. friend from St. John's West. It was a pleasure to listen to. In fact it gave us the same kind of joy as the results of the Ontario provincial election tonight—the splendid victory of the Progressive Conservative party, justifying again the decision to go to the people for a mandate to carry on the good work in the province.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I have not spoken on this legislation before tonight and I wish to express my concern with respect to this exercise in futility in which the government is engaged. The minister stated in response to my hon. friend from Vegreville that the government had no intention of proclaiming the legislation until, as I understand it, he had gone through a process of consultation with the farmers of Western Canada. The government House leader was in the Chamber earlier tonight. We have heard him rant and rage about the irrelevance of parliament, the fact that parliament is not really accomplishing its legislative tasks. Yet he has the audacity to bring forward a bill for discussion this evening which the responsible minister tells us he has no intention of having proclaimed until further consultation has taken place. I have not seen a greater waste of the time of parliament since I came here.

The consultative process in which the minister proposes to engage will not take place overnight. The hon. member for Crowfoot (Mr. Horner) will recall the discussion we had in connection with the western grains stabilization bill. I might say that although I reject the hon. member's position absolutely with respect to crossing the floor, I still have respect for him as a man whom I have known for a long period of time, a man whom I like personally.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I am not unhappy about saying that. We have been friends for a long time. He will recall the fights we put up to get consultation with the western farmer with respect to the western grains stabilization bill. He will remember that our efforts were rejected by the government. He will remember what a fight we had to put up to get the agricultural committee of this House to visit western Canada. Only after the greatest pressure was brought to bear on the minister responsible for the legislation was there a condescension to allow members of parliament to go to western Canada and hold hearings, receive briefs, and to bring about an educational process.

● (2130)

An hon. Member: We even went to your house.

Mr. Hnatyshyn: Yes, they even went to my house. As a matter of fact, I lost a silver knife. It was only a $50 silver knife but I am not going to suggest that one of the Liberal members took it. That is how generous I feel tonight.

In a more serious vein, Mr. Speaker, the minister knows that the consultation process with the western farmers will not take place overnight. Why is he wasting the time of this parliament by bringing forward this legislation before he is in a position to tell us categorically what amendments he will make to the legislation and regulations to accommodate the western farmers? His statement is an absolute admission of the failure of the government properly to explain the metric legislation to the western farmers. It is a failure, and the minister knows it.

I do not take any great pleasure in saying that. Parliament should be able to work and the government should always try to do the best thing. But when there is failure and the minister admits it, then he has the responsibility for withdrawing the legislation and bringing in new legislation after he has consulted the western farmers. Wasting the time of parliament when we should be trying to get through more important legislation now before committee is an absolute travesty. If I ever hear the government House leader stand up and talk about wasting time, I will remind him of the kind of planning that leaves him with nothing else to present but this metrication bill.

It is my own impression from watching the implementation of metrication that the root problem is the method by which the government brought forward the general adoption of the metric system in Canada. I refer not only to the western farmers but to metrication generally. It has been pointed out on a number of occasions that the correct way to introduce metrication would be to bring in not a resolution, as convenient and appropriate as resolutions are in certain circumstances, allowing for the creation of a metric commission with what I consider to be wide, sweeping powers, but rather to bring in a bill which would specify precisely what steps would be taken, which in turn would be enshrined within the statute books of this country. In this way each step in the introduction of the metric system in Canada could have been considered, rather than the government's bringing in a bill setting up arbitrarily a metric commission which, although accountable to parliament somehow, does not appear before parliament on a regular basis. As far as I know it has never appeared before any standing committee of this House or reported to the House directly.

The reason we are in this predicament today is that this is another example of the government's attempting to impose from above a system of metric conversion, as much as I approve of such a conversion, by regulation instead of by legislation. It is the function of each and every one of us in this parliament to ensure that so far as possible—

Mr. Marchand: You are contradicting yourself.

[Mr. Hnatyshyn.]

Mr. Hnatyshyn: The minister talks about contradictions. I could, of course, deal with the many contradictions on the part of the government with regard to this whole program, but I will not. Introducing the metric system through a group of civil servants who apparently are not accountable to parliament is the reason we are now facing difficulties, particularly so far as the western farmer is concerned.

The western farmer is a unique breed of person. I suggest he is the last of the really legitimate small, independent businessmen in this country. The western farmers generally across the country make a very substantial capital investment. As a result of monetary inflation, inflated land values and cost of equipment and materials, in order to get into operation even in a very modest way in western Canada a farmer must spend at least $150,000. This kind of capital investment produces for him an income which often is not all that great. He is now facing additional expense and additional concern in his operation.

The minister opposite is from western Canada and can understand how the small farmer is reacting to this process. A farmer does not have an easy life; he works hard for the money he makes. The minister talked about consulting with the farmer, and I was pleased to hear him say that because I believe that is absolutely necessary. This is why I am mystified that we are discussing this bill this evening and wasting the time of the House. I am mystified why the minister did not stand in his place immediately after my colleague from Qu'Appelle-Moose Mountain moved his amendment, which gave the minister an ideal opportunity to consult with the western farmer through the vehicle of a standing committee, and say that he would accept it. Instead he kept silent in his place and told us nothing of the kind of consultation he has in mind.

We are all reasonable people in this House, Mr. Speaker; at least I would accept that as a basic proposition. But what the minister is asking us to do in terms of political reality is to accept his word in regard to what consultation will be held. I do not think the minister should treat us in this way; certainly I would not treat him that way. I want to know what the minister has in mind so far as consultations with the western farmer are concerned. As a representative of a western constituency I want to hear, assess and judge that particular proposal. I am not going to sit here like a puppet and give him carte blanche to consult with the western farmers. We have seen what the consultation has consisted of thus far, and it has not been very impressive. Therefore, I ask the minister whether he is really serious about consulting with the western farmer. Why does he not stand up in parliament, which I suggest is the proper place, and say what he has in mind? What kind of amendments would he be receptive to? What kind of implementation does he have in mind? What kind of time frame would he accept in the application of the metric system?

The government has put itself into a very peculiar situation. As a result of this announcement it has seriously antagonized the farm organizations of western Canada. Without exception, the farmers, the representative associations and the farm

organizations across western Canada have condemned the minister and the government with respect to its inability to state clearly what it intends to do with respect to this legislation.

● (2140)

There are a number of articles which have been written in western newspapers and various agricultural newspapers across Canada. I would like to refer to the most recent article, which appeared in the Toronto *Globe and Mail* on June 3, 1977, entitled "Grain Men 'Fed Up To The Teeth' With Ottawa's Delay Over Metric". Mr. Bruce MacMillan, the chairman of the Canadian Grains Council, is highly critical of the way in which the government has dealt with this particular matter. This gentleman is the chairman of a group which has been set up by this government.

Mr. Marchand: Why don't you let it go through?

Mr. Hnatyshyn: If the hon. minister would only listen and stop talking, I would appreciate it. As a member of parliament I expect to be treated with the same degree of respect that I give the minister on every occasion. I want to know what the minister is going to do with respect to the implementation of this bill. For him to say that it will be all right and for me to trust him is not acceptable. As much as I like the hon. minister, I am not going to accept that type of proposition from him. I would not expect him to accept that from me, as logical and as reasonable a person as I am, in all modesty.

Mr. Paproski: Hear, hear!

Mr. Hnatyshyn: I would not expect the minister to accept that kind of carte blanche undertaking from me without having some idea. One has a responsibility to explain to his own constituents what is happening in parliament and what is going to happen with respect to any particular piece of legislation. My constituents are going to ask me: what has the minister got in mind? According to the minister, I am to go to my constituents and say that he says to trust him, that it will be all right and there will be some consultation. Who is he going to consult with? Is he going to consult with a group of Liberal supporters? Is he going to consult with a group of Liberal farmers? Is it going to be a group of Conservative farmers? Is it going to be a group of farmers from the Kamloops district? Is it going to be a group of farmers from Saskatoon-Biggar? I have no idea. I am not in a position to report to my constituents exactly what the minister has in mind. I do not think that is an unreasonable request.

The minister wants to know exactly what we should do to get this bill through. What time frame has the minister in mind? Is he going to consult for a week, a year, or ten years? I am interested in finding out what is going on. That is the reason I am speaking tonight. I am not simply standing up and talking to prevent the passage of this bill. On the contrary. I am speaking on an amendment which is a responsible amendment on the part of our party, as represented by the hon. member for Qu'Appelle-Moose Mountain.

I should like the minister to have the opportunity of consultation which he said will take place. What is a more appropriate vehicle than a standing committee of this House of Commons going out to western Canada to hear the rank and file and give them an opportunity to bring forward their points of view with respect to this particular bill? That would give the standing committee an opportunity to digest this information and report it back to the House. There could be recommendations with respect to amendments to the bill, or conceivably there could be no amendments to the bill. We may be satisfied, after going out, that the bill in its present form is quite satisfactory. I do not reject that possibility. For the minister to sit in his place and wonder why we are not passing the bill is not acceptable, as far as I am concerned.

When this whole process started the farm organizations came forward at the request of the government and co-operated. Often at their own expense they allowed senior management personnel from these organizations to be seconded to the Metric Commission for the purpose of the implementation of the metric conversion in the farm industry. I can understand that sense of responsibility when requested by the government to come forward and serve. They are prepared to do so at their own expense in many instances. Those organizations were helping to talk about metric conversion, as far as the farm segment of our society is concerned.

I think, and the minister might agree, that they thought the government would be taking initiatives through the Metric Commission to deal with the average farmer and whether he would be represented by the farm organizations in question or not. Was this to happen by some process of osmosis? Was it thought that everybody in Saskatoon-Biggar comprehended completely, by the process of mental telepathy, what was going on in Ottawa? Was it thought that they understood and accepted the fact that these people were speaking on their behalf? It does not take a very large intellect to understand that it was clearly the responsibility of the government to undertake an educational process and let people know precisely what was in store.

The original date for the implementation of the metric system was to be February 1 of this year. *The Western Producer*, which is a newspaper published by the Saskatchewan Wheat Pool, carried an article on January 27, 1977, entitled "But Are The Farmers Ready For It?" The article reads as follows:

> Two spokesmen for the grain industry say their only concern about the Feb. 1 metric conversion in the grain industry is that farmers are not ready for the change.

That is an indication at the beginning of this year of the failure of the government to inform, educate, and apprise western farmers of what was involved in metric conversion. The government should have indicated to them what type of expenses would be incurred and what relief would be available in terms of tax, if any, for metric conversion.

The article goes on to say:

> "Our impression is that things are pretty well ready to roll; what we're wondering about is how much discussion there'll have to be with farmers," says

Metric System

Bob Moffat, president of the Western Grain Elevator Association, made up of the general managers of elevator companies with country and terminal operations. (Mr. Moffat is general manager of Manitoba Pool Elevators.)

Here is a man who is a spokesman on behalf of farmers saying that the farmers are not ready for it. I am sorry the hon. member for Crowfoot is not here. Before he decided to become a member of this administration and to cross the floor, I recall very vividly the position he took with respect to this bill. He was adamant, and I think that is a fair word, with respect to the strategy that we should block this bill at any cost. I want to inquire now of the government and of the minister precisely what is happening. I do not want any more equivocation that if we pass this bill, they will not proclaim it. That is a lunatic proposition in my view.

● (2150)

In view of the strong feelings of the hon. member for Crowfoot with respect to this bill—because when he was on this side of the House he spoke very movingly and strongly about the western farmer resenting this bill and he said that it should be blocked at any cost, regardless of the time involved—I would like to know exactly whether or not the Minister without Portfolio—and in fact he is coming into the Chamber—will speak in cabinet on the bill.

As I mentioned at the outset, I like the Minister without Portfolio from Crowfoot. I was interested to read the article by Richard Gwynn in which he speculated about the minister's friend, Mr. Jim Coutts, and his motives in bringing the Minister without Portfolio into the party. I think the scenario is that Mr. Coutts wants to get a seat. He wants to run in Calgary, and he hopes the hon. member for Crowfoot will have sufficient political clout to help him. Perhaps the hon. member for Crowfoot feels that he will be successful in the election because he will stand side by side with a shorter, more corpulent city boy, the confidant of the Prime Minister (Mr. Trudeau), who will be running in Calgary next to the western rancher, the farmer from Crowfoot, or whatever his constituency will be.

I do not want to see the hon. member for Crowfoot get hurt by the Liberals. I know how cynical they are. I do not want to see this man Coutts elected, because there can only be one cabinet minister from the west, and the next thing you know it will not be the hon. member from Crowfoot but our friend, Coutts. I am saying that while he is in the cabinet I hope the Minister without Portfolio will try to talk some sense into his colleagues and will tell them, as he told us before he crossed the floor, what the western farmer thinks of this legislation, how strongly he opposes it, and that the time of parliament should not be wasted any further. I know that the hon. member for Crowfoot has a high respect for parliament—he believes in parliament.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I do not think he would want to be part of any government that wasted the time of parliament with this kind of insult to parliament, the metric conversion bill, which they have no intention of proclaiming. He is not that kind of man, and if he were I would be most surprised.

What I am saying is that so far as the consultative process is concerned, we in the Conservative party have put an amendment before the House which allows for consultation with the average farmer, and this is an ideal vehicle. I imagine that the minister would be anxious to get this bill to the next logical stage in its journey through the House by referring the bill back to the standing committee dealing with the bill so that during the course of the summer they can re-examine it when they would not be interfering with the farmers' operations.

Mr. Fox: And the winter and the spring.

Mr. Hnatyshyn: Yes, it may take some time. The Solicitor General (Mr. Fox) has a farming background.

Mr. Paproski: Yes, in Morrin Heights.

Mr. Hnatyshyn: He has a rural background and he will know that sometimes when there is real consultation it cannot happen in the course of a week. It is something that takes a little time. When people are first aware of the fact that they have the right to come before the committee, they will not be intimidated and they will come forward and give their point of view. But this is a two-way process. Not only are we as a committee going out and hearing representations, I suggest, but we are also going out to learn, on behalf of our colleagues in parliament, precisely what the problems are, and what has to be done, on a first hand basis. We will be involved in the hearings not only with farmers but also with those responsible for the implementation of the metric system.

I do not want to take too much time but I felt compelled to participate in this debate, not having done so before, because I was prepared to listen and hear with an open mind the proposal of the government. But eventually even those of us who are prepared to give the government the benefit of the doubt have to stand up and say: just a moment, you have gone too far, you must tell us what you have in mind, you cannot expect us to go through the whole farce of arguing in parliament on the understanding that we are supposed to pass the bill which eventually will not be proclaimed. If you said that to some stranger who came to parliament, he would suggest that you should take medical advice because this is a lunatic proposal.

I see you are rising to your feet, Mr. Speaker. I want to conclude by urging that the minister take advantage of the offer made in this amendment, that he support it, and that he let us get on to the next piece of business. Then the metric conversion process will be a lot easier and more straightforward.

Mr. Cecil Smith (Churchill): Mr. Speaker, in rising to speak tonight on the amendment of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and on this important subject of metric conversion and the impact that this program is having on all sectors of our society, I must point out that when I speak of all sectors of our society I include people in the

northern parts of Canada where there is some farming and some ranching. They are the ones who are not up to date on what is happening with regard to the metric conversion for the simple reason that the news media are lacking in that part of the country so that most of them do not even know what is happening with the bill which is at present before us, nor do they know the fact that the bill will not be proclaimed. As the hon. member who spoke before me said, this is just a waste of time of the House.

The Canadian program for metric conversion has been implemented in a different manner than similar programs in the U.S. For example, in the U.S. they are making greater headway in terms of the conversion, but at the same time they have introduced subsidies to help small business in the conversion. This is one way in which metric conversion will certainly harm the industry of our country, and especially small businessmen.

I have to relate this directly to the northern part of the provinces where at present the cost of living is higher than in any other part of Canada. Conversion to the metric system will cost every taxpayer in the country, whether he pays for it with goods that will cost more from the main industry or from suppliers or whether he pays for it directly, and it is the people in the north who will be the ones to suffer most. Canadian industry views metrication favourably, and Canada's progress towards SI measurement is more advanced than in the United States, although U.S. industry is moving toward metrication at a faster pace than industry in Canada. It is unfortunate, however, that the Canadian manufacturing industry will be so hard hit by metrication. Some small firms will be harnessed with undue expenses in adapting to metric which will result in added costs. This will affect their competitive status and disrupt profits, with the added possibility of business failure in many cases.

● (2200)

Large corporations will be able to absorb the added costs incurred by conversion, and it is estimated that their competitiveness and market status should remain the same. It is small business about which I am most concerned.

Besides the adverse affect on small business, automobile dealerships, service stations, garages and especially mechanics will bear the brunt of metric conversion. This is of particular importance to the riding of Churchill, where service costs and the price of gasoline and automobile parts are higher than they are in the south. The people of the north, especially those in the Churchill constituency, can ill afford the increased costs which may be passed on to them as a result of increased operating costs due to the conversion of equipment and so forth to metric.

I am sure that farmers in the Churchill constituency are not up to date or even aware of what is happening with regard to metric conversion. They are not ready for it. They really do not want it at this time because they are just now completing their seeding, and they have not had an opportunity to be brought up to date on just how the metric system is going to affect them. It might be different where there is mass media, but many locations in the north have no television, no newspaper, and very limited radio service. If they depend on the mail service to carry any information, they might as well scrap that because our mail service is worse now than it was when we had to depend on dog teams to carry the mail in the north.

Lack of communications has a bad effect on small businessmen, small ranchers and small farmers in the north. Many of them have heard metric conversion mentioned, but that is about the extent of it. Metric conversion is certainly being pushed down the throats of farmers, and at this time they are not ready for it. Farmers and grain handling people should have another opportunity to come before the standing committee to discuss this bill more thoroughly.

The general economy of the north, where the cost of living is astronomically high compared with other settled parts of Canada, is being adversely affected. Most municipalities in the north have resigned themselves to the fact that equipment will have to be converted to metric and that there is going to be a tough transition period. Many town councils are still unwilling to acknowledge that metric measurement is on the way. Many municipalities are lost in the confusion of metric conversion, and many are afraid of the effect such a transition will have on unsophisticated small communities with small budgets. These communities are faced with having to convert to the metric system without any help from the government in the transition period.

When I speak of the economy, I refer to the effects metric conversion will have on prices. I am afraid increased costs will be passed on to consumers in the form of increased prices, and this will contribute to already serious inflation problems. As many hon. members can imagine, inflation is very serious in the northern parts of Canada. The effects of this legislation to facilitate conversion on agriculture are as important as they are on industry.

In the interlake region of Manitoba which is an area between Lake Winnipeg and Lake Manitoba, there is mixed farming, while the area around The Pas in the region known as the Carrot River Valley, is also an important agricultural region. I am not talking about farmers who own many, many sections of land but about those on small farms. They have had numerous crop failures in the last few years due to flood or drought. This year there has been substantial rain, and as a result they have been so busy they have not had the opportunity to find out much about the metric system.

The Minister of State (Small Business) (Mr. Marchand) issued a circular to farmers which carried a lot of information. Although the same information was shown on television and was in the newspapers it does not reach them all. There must be more sophisticated means to train and teach farmers about metric conversion. Farmers are not ready to accept it at this time; they are more interested in trying to make ends meet and getting their crops planted. This metric conversion should have been introduced at a future date and not now.

In both the regions I mentioned farmers complain that they have not had an opportunity to be brought up to date on what

is happening with metric conversion, land measurement and so on, and if this bill is proclaimed they will be left behind the rest of society. Of course the government says it has no intention of proclaiming the bill.

The clauses in the bill that pertain to farmers have not been widely accepted in the farming community in western Canada. Both the farmers and the grain industry feel these measures are being imposed too quickly, without enough orientation or break-in time. In the northern parts of Manitoba because of the lack of adequate media outlets and possibly because they are not considered to be the more prosperous regions of Canada, the farmers have not had the opportunity to keep abreast with the changes that are taking place. The government expected them to set their work aside and take a course in metric conversion, but of course farmers do not have the time for this.

Although some farmers in my area have adapted very well to other changes that have taken place, many are confused and frustrated by the fact that no one from the department has visited them to explain the program. Goodness knows there are enough federal civil servants running around northern Manitoba that some could have met with farm organizations and brought them up-to-date on what is happening, especially when the media are not available to carry the information.

● (2210)

The Minister of State responsible for Small Business issued a statement earlier this year which denied the charge that farmers are not being informed about metric conversion. I confirm that the farmers I represent have not been informed about metric conversion, or not informed in the way they should have been. I am thinking especially of small farmers, ranchers, and small grain producers.

The statement outlines several programs on which the government has embarked to inform farmers of progress being made in conversion. The main program is called the "Awareness Program." I am sure many farmers in the Interlake and Carrot River regions are not even aware of the "Awareness Program", which was implemented from Ottawa. Anyone wanting information on the program had better write to the Metric Commission on Elgin Street in Ottawa. It is up to the government to see that the program is well publicized before it is implemented.

I say that farmers and people in the grain handling industry should be given the opportunity to appear before the standing committee in order to discuss metric conversion. The "Awareness Program" as implemented by the Minister of State responsible for Small Business is not sufficient to bring people up to date on what is happening in metric conversion. In any event I feel this bill should be referred back to the committee for further study so that farmers, large and small, can give voice to their concerns relating to metric conversion. We ought to see a greater degree of consultation with the grain industry, especially with farmers, and such consultation ought to take place before we continue our discussions on metric conversion.

[Mr. Smith (Churchill).]

The Hall Commission report recommended a doubling of the capacity of the Churchill elevator within the next few years. That recommendation is of concern to the bulk grain handling industry which depends on the port of Churchill. I understand that the conversion of this grain handling capacity to the metric system has not taken place. That conversion at Churchill was supposed to take place during the winter, since the elevator does not operate then. However, I understand the conversion is to take place some time this summer. I suggest it should not take place then, for we are trying to ship at least 30 million bushels of grain through this terminal, and I feel that conversion during the summer months could affect the movement of grain, or the amount of grain shipped through that facility in the summer. Of course if this conversion must take place it should be done during the late fall or early winter months and so not disrupt the grain shipping season.

Let me mention what metric conversion will mean to the people living on the 30 Indian reservations in the constituency of Churchill in northern Manitoba. As I said previously, many of these reservations are not served by any form of communication. They have no radio, television or newspapers. There are schools run by the federal and provincial governments. When I visited one of these communities not long ago, I asked what was happening with regard to metric conversion. The people there had no idea what I was talking about.

I do not know how we are going to get this message across to people in outlying areas who do not have access to the media. How will we get the message of metric conversion to them when it is only a few short years that they have been attending schools in many communities? This is a completely different system. It will probably be easy to adapt to, but it will be a change that many isolated areas just will not be able to accept or adapt to at the same speed as other parts of Canada. We need to have a stepped up campaign in the media and the schools if we are going to meet any sort of commitment.

While some Canadians will be hurt more than others by the conversion, eventually all will be affected. Increased costs will be passed on to the consumer in the form of increased prices. Although the exact impact is unknown, the conversion is certain to contribute to an already serious inflation problem. I end my remarks by stating my support for the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain.

Mr. Bert Cadieu (Meadow Lake): Mr. Speaker, I am pleased to have the opportunity to make some remarks on this bill. Unfortunately I was absent from the committee and therefore not able to take the active part I would like to have taken when the bill was at committee stage. However, I did follow it very closely.

While in my constituency I was unable to find anyone in support of this bill. A few said that, no matter what they thought, it would come and they would have to accept it. However, no one stated that we should be accepting it at this time, jumping the gun before the country is ready for it.

This metric legislation which has been before the House for some time will affect the western grain farmer to the greatest extent. The Metric Commission instructed the grain trade to convert to the metric system as of February 1 of this year. However, this has been delayed for some time because the bill is not yet through the House.

Members can find ammunition with regard to this bill. All they have to do is read *Open Forum* or the *Western Producer* to see where westerners stand on this matter. I do not know why the minister and the government want to railroad this through the House.

In effect, the main change for farmers will be that his acres will be no more. They will be replaced by hectares, 2.2 acres, while the buying of grain from the farmer will be in tonnes, which is about 2,200 pounds. From the time the bill has been in committee, the official opposition have been pointing out the unfairness of trying to railroad this bill through the House at this time. We attempted to stop the bill since it would appear to be of little use to those who deal with country elevators. The system will cause nothing but confusion to the farmer who, of all segments of the grain trade, is least able to cope with it.

● (2220)

Furthermore, the United States is not likely to convert to hectares or tonnes for a considerable time, so we shall be out of step when it comes to farm machinery, herbicides and fertilizer. The prime mover in this chain seems to have been the Metric Commission, followed by the Wheat Board and the Grain Commissioners; the various grain handling companies have acquiesced.

The railways will still ship in bushels as they have no intention of changing over until 1981.

The Wheat Board has given as its reason for the changeover that it will save $1,000,000 in computations.

The Conservatives have asked that the acre be retained and that the farmer sell grain at the country elevator at the bushel measure until we standardize with the United States. The Metric Commission, however, with the Wheat Board agreeing, say this will not be as tidy a system and that it is necessary to introduce the metric system for grain across the board.

The Liberal members of the committee supported the changes aggressively but it is interesting to note that this change from acres and bushels only affects the designated Wheat Board area, while the rest of Canada will not likely face any changes for some years so far as acres to hectares is concerned.

I am rather suspicious that the government instituted it in the Wheat Board area to see how it will be accepted. We saw this going on at the committee stage. When I look at the bill and think of the effect it will have on all classes of people, I am sure those who have been supporting it have not been reading their mail or taking note of what has been going on at home.

Like my hon. friend from Churchill I also represent a northern riding and I have no doubt as to how the bill will be accepted in the north. It will not be well received. The fishermen will certainly be against it, too. This is something which the government cannot railroad through the House. I am reminded of an elderly woman I heard from and who was downright disgusted with the whole thing. She was just about heartbroken. This is about the truest way in which I can explain it. She said, "We will never know how much our grandchildren weighed, how tall they were."

Mr. Hnatyshyn: And its all your fault over there.

Mr. Cadieu: I enjoyed the speech made tonight by the hon. member for St. John's West (Mr. Crosbie). His comments were so close to public opinion with respect to their needs when marketing and making their purchases. Such confusion I have never heard of, and I cannot understand it for the life of me. I congratulate the members on this side for the wonderful speeches they have made on the bill, and I congratulate the hon. member for Qu'appelle-Moose Mountain (Mr. Hamilton) on his amendment. He has offered the government a way of getting out of the mess into which it has put us. The government should strongly consider withdrawing this bill altogether at this time and bringing it back again when the time is right, which is likely to be some while to come.

If I had received any encouragement from my constituents to accept this bill, Mr. Speaker, I would have a different view of it. I believe in advancement and in promotion, but I cannot understand what the government is trying to do at this time. I have received no encouragement regarding this bill from any segment of the population in my riding. This is why the minister should consider withdrawing this ridiculous bill.

I used to hear some of the people from European countries in my constituency saying that this bill would be all right, but even they do not want it now. They have learned the system we use and are backing away from this bill. They have been so long away from the metric system which is used in Europe that they are not so happy about adopting it again. I have not found one person who is really happy with it. They have changed their minds and I should like to see the government change its mind, instead of trying to railroad this bill through.

I know the confusion that exists about it. I was in my constituency last week and spoke to people who will be affected by this bill, the various measurements for fertilizers, herbicides and so on, hectares and tonnes and all the rest of it. The whole thing is a mess. The government should listen to the enlightened advice given it by the official opposition regarding what the bill means to the country as a whole. It is not too late to accept this amendment and to get down to some common sense thinking. May I call it 10.30, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: On a point of order, Mr. Speaker, may I ask the acting House leader what business it is the intention of the government to call tomorrow?

Business of the House

Mr. Goodale: Mr. Speaker, as indicated earlier in the day by the government House leader, tomorrow we intend to begin with Bill C-6 dealing with diplomatic immunities. We have adopted the necessary motion to bring that legislation back from the standing committee so it can be dealt with tomorrow on the floor of the House. After concluding Bill C-6 we intend to move to Bill S-3, dealing with the Deposit Insurance Corporation and conclude third reading. We will then move to Bill C-36 dealing with motor vehicle safety, and Bill C-40, the aeronautics legislation. I believe there is a disposition in the House to proceed with both those items through all stages, or at least as far as through to third reading stage.

Mr. Knowles (Winnipeg North Centre): And if we complete all that, Mr. Speaker, will we then deal with Bill C-30?

Mr. Goodale: We will consider that, Mr. Speaker.

Mr. Deputy Speaker: It being 10.30, this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 2(1).

At 10.31 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Friday, June 10, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

SUGGESTED REINSTATEMENT OF OPTION FOR OBSERVANCE OF ST-JEAN BAPTISTE DAY—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity affecting public servants who reside in the province of Ontario but who work in Hull, Quebec, who, without consultation or reasons are required to observe St-Jean Baptiste Day and who have been denied the option they formerly had with respect to that day. I therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the government rescind this new directive, which requires public servants who reside in Ontario to observe Saint-Jean Baptiste Day and reinstate the optional policy which has worked so well in former years.

Mr. Speaker: Order, please. Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION PROGRAM

PROPOSAL TO END PROGRAM IMMEDIATELY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 concerning the consumer price index figures which were released today. In light of the fact that prices have risen in the last three months at an annual rate of 10.4 per cent, that fuel and utility prices have risen in the last year by 15.8 per cent, that the cost of home ownership has risen by 11.3 per cent in the last year, that the cost of food is now beginning to rise at a rate even faster than other prices and considering that the government persists in holding down the wages and salaries of ordinary Canadians at a time when it will not hold down prices of such basic commodities, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the government to end its unfair and unworkable anti-inflation program immediately.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONFLICT OF INTEREST

INTEREST OF SENATOR DAVEY IN BLUE WATER RACING ASSOCIATES LTD.—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of press reports that Senator Keith Davey, chief campaign director for the Liberal Party and confidant of the Prime Minister (Mr. Trudeau), has a controlling interest in the Blue Water Racing Associates Ltd. and has made representations to the Department of Agriculture, specifically Mr. Sid Pratt, director of parimutuel betting in the Department of Agriculture, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

● (1110)

That the Minister of Agriculture make a full statement on motions, giving full particulars of the disclosure of the interest of Senator Keith Davey in Blue Water Racing Associates Ltd. to the government, on the nature of Senator Davey's representations to the Department of Agriculture and any resulting decisions.

Mr. Speaker: Order, please. The presentation of such motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

CONGRATULATIONS TO CERTAIN MEMBERS ON TWENTIETH ANNIVERSARY OF ELECTION TO PARLIAMENT—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to present a motion under Standing Order 43 which I believe the House will be happy to approve. So sure am I that the House will approve it, that I am going to ask the

President of the Privy Council (Mr. MacEachen) if I may name him as the seconder of the motion.

I therefore move, seconded by the President of the Privy Council (Mr. MacEachen):

That this House extends its congratulations to the hon. member for Cumberland-Colchester North (Mr. Coates), the hon. member for South Shore (Mr. Crouse), the hon. member for Edmonton West (Mr. Lambert), the hon. member for Saint-Henri (Mr. Loiselle), the hon. member for Hillsborough (Mr. Macquarrie), the hon. member for Cape Breton-The Sydneys (Mr. Muir), the hon. member for Timiskaming (Mr. Peters), and the hon. member for Simcoe North (Mr. Rynard), on the anniversary of their first election to parliament 20 years ago today.

Mr. Speaker: Order, please. The presentation of such a "controversial" motion requires the unanimous consent of the House pursuant to the Standing Order. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: It is moved by the hon. member for Winnipeg North Centre (Mr. Knowles) and seconded by the President of the Privy Council that this House extend its congratulations to those hon. members mentioned on the 20th anniversary, today, of their election to this House.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—SUGGESTION CONTROL PROGRAM BE ABANDONED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Since figures on today's consumer price index show that prices are up over 10 per cent on an annualized basis and controls are no longer working to slow inflation, and since the minister recently said that the underlying trend to lower inflation is evident despite today's higher prices, will he now concede controls are no longer the solution to inflation but perhaps part of the problem and announce the date immediately on which he proposes to begin decontrol?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to point out that the hon. gentleman's analysis is faulty. While it is true that there has been an increase on the food price side, as he and other members have often recognized publicly the cost of imported food cannot be restrained with a controls program.

Mr. Broadbent: This was true last year, too.

Mr. Macdonald (Rosedale): It was true indeed, and the price of food will go up and down; but to blame or credit the program for that would be a mistake, and nobody has ever done that. I point out to the hon. member on the other hand that the part of the price index most effectively controlled, that is to say the non-food sector, is exactly on target with the 1977 guideline of the program.

Mr. Broadbent: That is not so.

Mr. Macdonald (Rosedale): It is down to an annual rise of 6 per cent. Perhaps I should not go further at this point, except to say that I look forward to starting the debate on this particular question on Monday, as a result of the petition which I gather hon. members will be putting forward, and we shall have, all have an opportunity on Monday to debate these issues.

INFLATION—POSSIBLE REVISION OF TARGET FOR NEXT YEAR

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Bearing in mind today's background figure of 7.6 per cent annual inflation, will the minister say if he foresees such a relatively high level of inflation continuing for the balance of the calendar year and, based on these disappointing figures, does the government plan to revise its 4 per cent inflation target for next year? If so, what is its new target?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Anti-Inflation Act makes specific provision for this. I would point out that we expect the impact of the increase due to imported food prices to diminish as the Canadian crop comes on, assuming it is a favourable Canadian crop. In this regard, while it may be difficult to make the six per cent target on the overall food consumer price index we do expect a turndown.

INFLATION—DATE WHEN CONTROLS WILL BE REMOVED

Mr. Sinclair Stevens (York-Simcoe): Two weeks ago the minister stated in committee that "the economic situation throughout 1977 and into 1978 looks relatively favourable for exit from the controls program". Will the minister indicate if in view of today's inflation figures he still holds this view?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I also indicated both in committee and elsewhere, including in the green paper, other conditions which are important. As I said, I indicated to the President of the Privy Council my wish that we start the debate on the petition which, according to the media, the hon. member is ready to present. We could start that debate on Monday. On Monday I would be quite happy to go through in some detail the circumstances that will be necessary to be sure that inflation will be restrained when the controls come off. Of course, it will be useful at that time to find out what, if any, views the opposition has about that.

FOOD PRICES—GOVERNMENT ACTION TO REDUCE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is also directed to the Minister of Finance. It relates to the scandalous increase in food prices during the first part of 1977, now running at a 15.2 per cent annual rate during the last three months. As everyone in this House knows, this can only act as a heavy blow to low income families, old age pensioners and others on fixed income. In spite of everything that has been said by the government, it is clear in the green paper that some further upward impact of price levels in Canada will arise from high energy costs and food prices. Again there will be obvious implications for low income Canadians and Canadians living on fixed incomes who will be prejudiced by government policy and inaction. Notwithstanding the motherhood statement we are about to get on food policy in the House in a few minutes, what immediate action can we anticipate from the government to alleviate this situation, specifically in the area of food prices?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member is obviously patently wrong with respect to government policy having adversely affected those at the bottom end of the income scale. The policies of this government have been substantially directed to supporting the incomes of pensioners or recipients of family allowances at the bottom end of the income scale. Whatever effect the application of controls may have had upon the more affluent in our society, it is quite clear that the controls program specifically favoured those in a position least able to protect themselves from inflationary increases.

* * *

FINANCE

PROPOSED CHANGE IN BASIS FOR INDEXATION OF OLD AGE PENSIONS

Mr. Heward Grafftey (Brome-Missisquoi): It is obvious the minister has not talked to low income Canadians and those living on fixed incomes recently. It is now apparent that the prices of basic items are rising far faster than the official rate of inflation. We know that today fuel is up 15.8 per cent, housing 9.7 per cent for the year and food up 15.2 per cent on an annual rate for the last three months. Pension indexing is falling behind the real cost of living for our senior citizens. Will the minister tell the House whether he will tie the indexation of old age security to an index which better reflects the needs of elderly Canadians, especially in view of what we obviously have today?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as to whether or not I am in touch, I might say I have been in touch with those in the low income group and old age pensioners in the course of the recent Ontario provincial election in the constituency of St. George. If anybody is out of touch with the feelings in that part of Ontario, it is the hon. member and his party, as indicated by last night's vote. If there are changes to be made in the consumer price index or the impact of it on the indexing of old age pensions and other escalators, I will of course give full consideration to that with my colleague, the Minister of National Health and Welfare.

* * *

• (1120)

THE CANADIAN ECONOMY

INCREASE IN CONSUMER PRICE INDEX—MINISTER'S POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. I note he is delighted that the Liberals managed to win two seats in all metro Toronto; that is some victory! In an earlier answer he indicated he was happy with the controls program with the exception of its effect on food prices over which, he finally admitted, there was no control at all. Is the minister happy about the fact that fuel and utilities have gone up 15.8 per cent over the last year and the cost of home ownership has gone up 11.3 per cent? Or is he happy simply because under the controls program wages and salaries will be held down to 6 per cent, meaning a decline in real purchasing power of workers right across the country?

Hon. Donald S. Macdonald (Minister of Finance): With regard to the Ontario election, what did please me was that the Ontario leader of the NDP looks the same kind of leader as the hon. member does, namely, that he is going backwards.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): With regard to important additional costs in the community, the hon. gentleman knows with regard to energy prices, for example, that these are additional costs which we in our community will have to absorb. I would be very much happier if the world trend in fuel prices were toward a decrease rather than an increase, but we live in a world of reality, and the reality is that fuel prices are increasing. If hon. members opposite do not understand basic things like that, we can expect a very interesting debate next week when they attempt to explain how, in the face of the reality of increasing fuel prices, the cost of utilities can go down.

REQUEST THAT NO INCREASE BE ALLOWED IN PRICE OF OIL

Mr. Edward Broadbent (Oshawa-Whitby): The minister has mentioned the one area over which the government does have control, namely, oil prices. A large part of the monumental increase in fuel and utility costs in the past year is the direct result of the government's fuel pricing policy. Would the minister now reconsider the decision to permit a further increase in the price of oil on July 1? May I remind him that if the price of oil goes up by a dollar a barrel it will mean an increase of at least one per cent in the consumer price index and lead directly to the loss of thousands of jobs? Will he assure Canadians that no price increase will be permitted in the price of oil as of July 1?

Hon. Donald S. Macdonald (Minister of Finance): The hon. member should know, as the premier of Saskatchewan knows, that it is important to continue to provide supplies of oil for Canada in the future. The kind of policy he advocates, that of reducing oil prices, would ensure that before very long there would not be adequate supplies of oil to meet Canadian needs.

INFLATION—ALLEGED FAILURE OF CONTROL PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Is it, then, official government policy that wages and salaries should remain controlled at 6 per cent while the consumer price index is to be permitted, as has been the case for the last three months, to go up at an annual rate of about 10 per cent causing working people across the country to experience a continuing decline in their standard of living, or will the minister recognize that the controls program as it now exists is not only unworkable in terms of restraining prices but is unfair to Canadians everywhere?

Hon. Donald S. Macdonald (Minister of Finance): I would dispute the conclusions reached by the hon. gentleman and refer him to the trend on the non-food side of the index. The fact of the matter is that we in Canada will have to pay higher costs for imported goods as a result of the depreciation in the value of the Canadian dollar and higher energy prices. These increases have to be borne by all Canadians. We, as a government, believe that the people will recognize and accept the fact that these additional cost increases have to be met and that they cannot expect the government to cushion the community against all the changes.

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[*Translation*]

CONSUMER AFFAIRS

DIFFERENCE IN PRICES OF GASOLINE BETWEEN ONTARIO AND QUEBEC

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

I put a question to the Minister of Energy, Mines and Resources on May 13 last and he replied that the price of gas at the Quebec and Ontario border indicated a difference of over 15 cents a gallon which was due to competition. Could the Minister of Consumer and Corporate Affairs launch an inquiry to see why there is such a difference and who pockets the money?

[*English*]

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be glad to ask the director of investigations to look into this matter and report back to me, and I will be getting in touch with the hon. member.

[Mr. Broadbent.]

CONFLICT OF INTEREST

KNOWLEDGE OF MINISTER OF AGRICULTURE OF SENATOR DAVEY'S INTEREST IN BLUE WATER RACING ASSOCIATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of Agriculture. It has to do with press reports that Senator Keith Davey, who is a well known confidant of the Prime Minister and chief Liberal campaign director, has the controlling interest in Blue Water Racing Associates, and that Senator Davey has in fact made representations to the branch of the minister's department concerned with parimutuel betting licensing and saliva testing administration. Can the minister advise the House whether these press reports are correct and if his department has knowledge of Senator Davey's interest in this particular company?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, with regard to the press report the hon. member is talking about, all I can remember of that paper is that when I was first appointed Minister of Agriculture they wanted to know where Amherstburg, Ontario was. I have no knowledge of what is in this press report because I do not read that paper very often. However, since the matter has been brought to my attention I will check. I have no recollection of Senator Davey ever making any representations to me concerning racing but I will check with the department. Several authorities in Ontario having to do with racing have made representations to me about racing matters, but the one I am particularly thinking of is the Jockey Club which continually makes representations about offtrack betting. But I have no recollection of this report at all.

Mr. Hnatyshyn: Mr. Speaker, I think the minister would be interested in seeing that justice not only be done but appear to be done, so I would ask him to look into the matter and report to the House with respect to this particular allegation. When he is doing that, would the minister undertake to make a statement to the House with respect to this matter, possibly on motions, so he can clarify it; and would he let us have what details he is able to obtain through his department respecting the nature of the representations made, if any, by Senator Davey and the results of those representations.

Mr. Whelan: Mr. Speaker, I will use my good offices to make an investigation to find out what representations were made. I am not sure which race track or racing authority the hon. member is talking about, but I will ask for a complete breakdown of those people who have made representations to me and will follow the proper course to allow the hon. member to be informed.

INTEREST OF SENATOR DAVEY IN BLUE WATER RACING ASSOCIATION—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a final supplementary question which I will address to the Acting Prime Minister. Would the Acting Prime Minister tell the House whether he considers on behalf of the government,

that there is a potential conflict of interest situation here, where the campaign director supporting the government party and advising the Prime Minister, in fact controls a company which has dealings with a department of the federal government in the area of racing, parimutuel betting licensing and saliva testing administration. Would the Acting Prime Minister consider this to be a genuine conflict of interest, and would he say whether directives will be coming out regarding the relationship between people holding positions of this nature and government departments?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have not examined this case and therefore I am not in a position to say whether it represents a conflict of interest. I am sure that Senator Davey has behaved in accordance with proper standards, as is his custom. However, the general question of conflict of interest with respect to members of parliament has been, as the hon. member knows, the subject of a green paper. It has gone through parliamentary committee in the House of Commons and in the Senate. At the present time, as the hon. member knows, there is under preparation a bill which will be coming forward, dealing with the general question of the independence of parliament. Until that bill is passed, there is certainly a good deal of opinion and guidelines to be derived from the green paper and from the proceedings of the committees of both Houses.

* * *

● (1130)

VETERANS AFFAIRS

POSSIBILITY OF INCREASE IN BASIC RATE OF PENSION AND CHANGE IN PROVISION GOVERNING WIDOW'S PENSION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the fact the increase in the cost of living is affecting those veterans on fixed incomes, I wonder if the minister could indicate to the House when he is going to correct the inequity in the basic rate of pension which is related to the five lowest categories in the public service. Those veterans are falling behind by hundreds of dollars a year, and I wonder if the minister can indicate when he is going to correct that inequity in the veterans' legislation.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as the hon. member knows, we have had a study made in our department of this question and a lot of work has been done. As far as the exact time it will be implemented, I am not prepared to say at this time.

Mr. Marshall: Mr. Speaker, in view of the fact that veterans' spouses are faced with an inequity because they cannot get widows' pensions if their veteran husbands died when their pension was based on 48 per cent disability, I wonder if the minister could indicate, in line with the basic rate of pension, whether we will see changes in the legislation before the end of this session?

Mr. MacDonald (Cardigan): Mr. Speaker, it is not anticipated that there will be changes in legislation pertaining to either of those questions during this session.

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ENVIRONMENTAL AFFAIRS

PROPOSED PROHIBITION OF MANUFACTURING, IMPORTING OR PROCESSING OF MIREX—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. It relates to the task force report to the environmental contaminants committee regarding Mirex. One recommendation made by the task force concerning the control of Mirex is contained in one short sentence, wherein the task force recommends a prohibition against importation, manufacturing and processing of Mirex which might lead to its dispersal into the environment.

Is there any manufacturing or processing of Mirex in Canada, and if so, will the minister respond positively to the recommendation? Is there importation of Mirex which might be dispersed into the environment, and will he respond positively to the task force recommendation that such importation be prohibited?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the use of Mirex in Canada ceased some time ago. If my memory is correct, it was 1969. Thus, there is no utilization and no manufacturing. As for importation, that has stopped also. The complete prohibition is something which I will be discussing with my colleague, the Minister of National Health and Welfare, but we are favourably disposed to this recommendation.

SUGGESTION INDUSTRIAL WORKERS, NURSING MOTHERS AND THEIR BABIES EXPOSED TO MIREX BE MONITORED—GOVERNMENT ACTION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, there were two recommendations by the task force concerning information on Mirex, and in particular, the recommendation that certain Canadians be scrutinized in terms of their health very carefully. Recommendation No. 2 refers specifically to nursing mothers and their babies. Recommendation No. 3 deals with industrial workers known to have been occupationally exposed to Mirex.

Is it the responsibility of the Department of Fisheries and the Environment or the Department of National Health and Welfare, in which case the Minister of National Health and Welfare may want to answer this, to monitor those two groups? Are there immediate steps being taken as a result of the task force recommendations to monitor those two groups of Canadians?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, this is obviously a joint effort between the Department of National Health and Welfare and our-

selves. In one conversation with them, we have already mentioned this important factor. This is a joint report because of our concern about this problem. We are obviously working on this.

Mr. Jarvis: Mr. Speaker, can either the Minister of Fisheries and the Environment or the Minister of National Health and Welfare tell me whether these two groups of people have been identified? In other words, in order to monitor one must identify those Canadians—the mothers on the one hand and the workers on the other—who may have been exposed to Mirex? Have these two groups been identified as of this date? Is it necessary, before any monitoring can take place, to identify individuals within those two groups?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the report did identify areas in which the exposure had been greatest. These are the areas in which we are now involved and looking at.

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AIR TRANSPORT

INCREASE IN AIR FREIGHT RATES TO ARCTIC COMMUNITIES—REASON FOR FAILURE TO REFER TO AIR TRANSPORT BOARD

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Transport. It might be difficult for him to give me an answer today, but I would ask him to take notice of the question. My question relates to a recent increase in air freight to $1.11 a pound to certain points in the northern part of our country, as a result of a rate increase which was applied for by a company called Surf Air, which is wholly owned by Nordair. I would like to ask the minister what special evidence or circumstance was contained in the application which prevented this rate increase from being referred to the Air Transport Board and what special evidence there was which prevented the application from going to the Anti-Inflation Board for scrutiny as well?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have had an opportunity to review these rates. There was an earlier reference to them in the House and I found, while some of the increases were indeed very large, that in part those were adjustments in schedules and there were some increases which were not nearly so large. However, on examination it did appear that there may not have been adequate advance notice of the increases for people to take a position in opposition to them. Since there was notice and no intervention against them at all, the Canadian Transport Commission had not acted. They are now reviewing that situation to see whether in fact the people in question were given adequate notice of the proposed rate increases.

[Mr. LeBlanc (Westmorland-Kent).]

INCREASE IN AIR FREIGHT RATES TO ARCTIC COMMUNITIES—POSSIBILITY OF SUBSIDY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I appreciate the minister's answer. In fact there was no advertising of the proposed rates before they came into effect. In light of recent increases in the cost of living index, and particularly food, which affects people in the northern regions of our country three times as much as it does people in the southern part, will the minister undertake to discuss with the Minister of Indian Affairs and Northern Development the possibility, if these rates are allowed to continue, that there should be a subsidy for the people who are affected by this rate?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have indicated in the House before that the whole question of remote areas and the cost of transportation in relation to them is something we are reviewing. I will be interested in the views of my colleague representing the northern areas.

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PERFORMING ARTS

PROTEST AGAINST SUMMER PROGRAM OF CANADIAN FILM INSTITUTE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is to the Secretary of State. In view of a statement attributed to an official of the Canadian Film Institute that the institute would consider very seriously any complaint by the government about films being shown in the auditorium of the National Archives, has the minister taken any initiative in approaching the institute regarding its current summer program, much of which is described by the institute's own program as pornographic?

Hon. John Roberts (Secretary of State): Mr. Speaker, I believe I referred the member's previous indication of discontent with the policy of the archives in renting the auditorium for this particular series of films with which he disagrees to the archives. I gather he is asking me to make a similar representation to the Canadian Film Institute. I would be happy to pass on his remarks to them.

POSSIBILITY OF PROTEST FROM ONTARIO AT SHOWING OF FILM "SWEET MOVIE"

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I would be interested in knowing the direction of the reference by the minister to the National Archives. Has the minister received any protest from the government of Ontario or the Board of Film Review at the attempt to use the auditorium of the National Archives to show the film "Sweet Movie", specifically banned in Ontario?

Hon. John Roberts (Secretary of State): Mr. Speaker, to the best of my knowledge, I have received no such representation. However, I have received a representation from one of

my colleagues sitting on this side of the House, the hon. member for Vancouver East.

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● (1140)

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF ILLEGAL ACTIVITIES—REQUEST FOR STATEMENT ON RELATIONSHIP BETWEEN FORCE AND GOVERNMENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice. Given the fact that the Solicitor General has indicated he will be making a statement next week with regard to the Montreal break-in by the RCMP, and given the fact that in addition to the incidents surrounding the break-in in Montreal, we still find there are allegations against the RCMP in the Praxis matter in Toronto, and there is an inquiry going on at present in New Brunswick, and there are allegations of illegal wiretapping in Edmonton, would the minister give some assurance to the House that he or the Solicitor General will make a statement on motions in addition to the Montreal matter, on all these other matters that are showing up in the press so that he can give some assurance to the Canadian people that there is still civil and political authority over illegal activities and over the RCMP itself so that we can have a full explanation from the government on what is the relationship between the government and the RCMP in dealing with these matters?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think that the hon. member has really answered his question. He has referred to the Solicitor General's statement which is to be made following sentencing in the Montreal case, and I suggest that that statement will deal with the matters to which the hon. member refers. In terms of assurances to the public, the Solicitor General has made it very clear in the House and outside the House, as have I and as has the Prime Minister, that the police forces of this country, including the RCMP, are as subject to the criminal law of the country as is any other citizen, and that where there are indications of any breach of law by people holding authority, the proper action will be taken.

INVESTIGATION OF ROYAL AMERICAN SHOWS—REQUEST FOR ASSURANCE USE OF NATIONAL SECURITY PROVISION NOT RELATED TO ELECTRONIC SURVEILLANCE

Mr. Stuart Leggatt (New Westminster): I hope that the Minister of Justice will examine carefully the evidence given yesterday in Montreal concerning the lack of any consultation with political authority in terms of that illegal break-in.

My supplementary question is as follows. Yesterday the Solicitor General indicated that he is filing an affidavit in the case of the inquiry in Edmonton into the Royal American Shows that certain evidence should not be produced because it is sensitive to national security. Can the Minister of Justice, on behalf of this government, now give some assurance to the House that the use of the national security provision to stop introduction of evidence that may be relevant has nothing to do with the use of electronic devices surrounding the surveillance in that case?

Hon. Ron Basford (Minister of Justice): I have not seen the Solicitor General's affidavit in that case, and before answering the question I would like to see it.

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INCOME TAX ACT

DATE OF INTRODUCTION OF AMENDING BILL

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance. In view of the fact that the end of June is soon approaching and the income tax amendment bill following his recent budget would have to be handled entirely in the House, can the minister advise us when he intends to introduce it and obtain its first reading?

Hon. Donald S. Macdonald (Minister of Finance): I expect to have the document brought forward for first reading next Wednesday.

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EXTERNAL AFFAIRS

BELGRADE CONFERENCE ON HELSINKI AGREEMENT—PARTICIPATION BY PARLIAMENTARIANS AND CANADIAN POSITION AT CONFERENCE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs and it is with respect to the follow-up of the Helsinki conference, the Belgrade meetings which are approaching shortly and the great interest with respect to Basket 3 and the human rights provision. In view of the fact that at the recent meetings of the Canada-U.S. interparliamentary group a congressional representative indicated that the U.S. was taking a very active part, both in the formation of the policies that would be laid before that meeting, as well as having a direct participation in the conference, has the minister given consideration to parliamentary representation at the Belgrade meetings, and will there be some opportunity prior to those meetings for there to be some notification to parliament of the stand which the government intends to take at that time?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, on the matter of the representation and the make-up of the Canadian delegation, no final decision has been made as yet. The hon. member is quite right that in view of the structure of the United States there are some members of the Congress who are actually part of their delegation in an official and formal way which, I am advised, cannot be done in terms of the Canadian system.

Mr. Paproski: Why?

Mr. Jamieson: Because their structure is quite different from ours. I will deal with the hon. member's question, if he wishes to put a supplementary, in just a moment.

Certainly from a personal point of view I have no objection to considering parliamentary representation and I think it would be a good thing. I should add that there is also some question as to whether it will be at the ministerial level, and we are looking into that question as well.

On the second point, yesterday I gave to the chairman of the committee the most recent monitoring process and some background material on the post-Helsinki agreement. I have also said that I would be glad to have members of the committee briefed. At that kind of meeting before the Belgrade conference, I hope we can decide whether we wish to have any kind of resolution of the House or any airing of it in the House, which again I would be quite happy to support.

Mr. MacDonald (Egmont): I appreciate very much the minister's frank and thoughtful answer. I am very interested in this inasmuch as not only will there be U.S. parliamentary participation but, I understand, there will be some European parliamentary groups as well, perhaps, as the minister has indicated, not in the same way because of the different functional set-up of the U.S. Congress and administration. But since there have been a number of useful precedents with respect to parliamentary representation at various U.N. forums, such as the Law of the Sea Conference and UNCTAD and other events, I hope the minister will give serious consideration to an all party representation at this event. But I hope as well that perhaps the minister might indicate whether he would be prepared to see either a reference or some opportunity established for the Committee on External Affairs to meet with him and his officials, both in a formal way and, perhaps if necessary, in an in-camera session, because of the importance of this event not only to parliament but to the Canadian people.

Mr. Jamieson: That was what I was seeking to convey in my last answer. In other words, whatever the committee decides is the most fruitful approach I am prepared to accept by way of briefings and the like. I was not aware there were any parliamentarians planning to attend the conference other than those from the United States. But it may be that this is a more recent development which has come out of discussions which have taken place on the make up of the delegations.

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MULTICULTURALISM

PROPOSAL THAT DEPARTMENTS ADVERTISE IN ETHNIC PRESS—MINISTER'S POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of State (Multiculturalism). I refer to a speech made by the former minister in charge of multiculturalism to the Canada Ethnic Press Federation on March 11, 1977. In his address, the hon. member for Hamilton East indicated the following:

> There is agreement that many more government departments should advertise in the ethnic press and media... (and that) this will lead to additional revenues over and above the $500,000 spent by the multicultural program and the specific campaigns run by such departments as the Department of Manpower and Immigration.

Would the minister inform the House whether he is actively promoting this policy among government departments?

Hon. Joseph-Philippe Guay (Minister of State (Multiculturalism)): Mr. Speaker, this is under active review at the moment by officials of the department and members of the Department of the Secretary of State. It has been followed very closely. An announcement will be made on that, I hope, soon.

Mr. Paproski: My supplementary question is to ask the minister whether he will inform the House what revenues over and above the $500,000 have been spent on the ethnic press and media advertising to date, and would the minister indicate how much money will be allocated by his department for the ethnic press and media advertising?

Some hon. Members: Order.

Mr. Speaker: Order, please. The answer to that question can be sought in another way.

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AGRICULTURE

PROPOSAL TO ELIMINATE REQUIREMENT THAT VETERINARIANS INSPECT MEAT—GOVERNMENT POSITION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture. I think the minister would be the first one to agree with me that animals suffering from diseases should be kept out of the food supply, and to achieve this end inspection of abattoirs must be carried out under close supervision of people trained in the diagnosis of disease, such as veterinarians. In view of this, it has come to my attention that it is proposed to revise the regulations under the Canada Meat Inspection Act to eliminate the requirement that antemortem inspection be done by a veterinary inspector and as well eliminate post-mortem inspection by a veterinarian or under the direct supervision of a veterinary inspector. If that is true I would like to ask the minister if he would take whatever action is necessary to stop this proposed revision before irreversible actions are taken that will adversely affect our ability to assure the public of a continuing wholesome and disease-free meat supply.

Hon. E. F. Whelan (Minister of Agriculture): I will check that to make doubly sure that nothing is being done to lower the high standard of inspection which we provide for meat products in Canada. I do know that there has been some discussion about training technicians. We do use many highly

trained technicians to do this work, but I will look into this and report to the hon. member.

● (1150)

Mr. Mitges: The minister knows that without competent veterinary inspection in our abattoirs our meat exports to many countries would be adversely affected, and I ask the minister to do everything possible to see that this is done.

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SOCIAL SECURITY

NEGOTIATIONS FOR RECIPROCAL AGREEMENTS WITH OTHER COUNTRIES—DATE AGREEMENTS EFFECTIVE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Health and Welfare. On February 8 in the House of Commons when discussing Bill C-35 which deals with reciprocal agreements for pensioners the minister stated that France, Italy, the United Kingdom and the United States have expressed interest in having reciprocal social security agreements with us, and that preliminary discussions among officials had resulted in proposals. I wonder if the minister could tell us if the agreements will be effective by the date the bill becomes effective, I believe July 1. If not, why not, and when does he hope that the agreements will be effective?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer to the first question is no. I personally met the ministers of the countries concerned last month. I exerted some pressure upon these governments to accelerate the settlement of agreements between our respective countries. There will be a meeting of senior officials in the coming months. We hope these agreements will be concluded very shortly, but, of course, I cannot in any way force a country to sign such an agreement. On the aspect in which the hon. member is interested, British citizens living in Canada, I obtained an agreement in principle from my British colleague, but he indicated his concern about the availability of funds in England for that purpose. I asked that the matter be raised again by our two governments, in order that the British government may make available the necessary funds so as to enable us to reach an agreement as soon as possible.

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[*English*]

ENVIRONMENTAL AFFAIRS

REASON FOR FAILURE TO USE CANADAIR CL-215 TO FIGHT FOREST FIRES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and the Environment. In view of the fact that there are approximately 115 aircraft of many types used in dropping water or chemical retardants on or in advance of forest fires, most of them being modified military surplus aircraft such as the Canso or Tracker or commercial aircraft like the Beaver and the Otter, while the only aircraft in the world designed specifically to combat forest fires is the Canadair CL-215, designed and built in the sixties under advice from experts in the Canadian forestry service, but which has been purchased in Canada only by the Quebec department of lands and forests which now has 15 in operation, I would like to ask the minister if he would indicate why this aircraft is not used by other provinces in Canada and what steps he is taking to help finance the purchase of this aircraft for use in what I term a very important protection measure for our forest industries?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I assume the hon. member is alluding to the use of these aircraft for water bombing to fight forest fires. This question came up at the meeting of the Canadian Council of Resources and Environment Ministers in Saskatoon. Everyone recognizes that there is a need to co-ordinate this type of equipment and to have it available on a national basis when emergencies do warrant it. The problem is that the provinces have tended to go their separate ways with regard to fire protection. If we can come to a national plan for forest protection, I hope it would be very much part of this plan to have very expensive equipment of this nature available on a demand basis under some shared-cost formula.

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FINANCE

TARIFF ON TOMATOES—POSSIBILITY OF EXTENSION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Finance. I would like to ask the minister if the program with regard to the tariff on tomatoes, which was implemented earlier this year after repeated requests from both processers and producers, is being reviewed. Is it going to be extended?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will have to take that question as notice, but I undertake to get back to the hon. member personally on that point.

PROPOSED FORMATION OF PRIVATE INVESTMENT CORPORATION TO ACQUIRE GOVERNMENT'S INTEREST IN CROWN CORPORATIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is also for the Minister of Finance. Will the government consider taking the lead of the British Columbia government, which is planning to form a private investment corporation which will not be a Crown corporation to take over the government's interests—in the case of British Columbia acquired through the interventionist policies of the previous socialist government—in a number of industrial concerns and to offer the shares to individual investors who currently, in British Columbia's case, have nearly $6 billion in savings

accounts, thus providing investment opportunity for other Canadians and relieving the Canadian taxpayers of the need to subsidize the bad management currently exhibited by some Crown corporations and agencies?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I point out to the hon. gentleman that some years ago the government did just that with the creation of the Canada Development Corporation, and we included among the CDC's assets the Polysar operation. As the hon. member knows, CDC has since had a public distribution of shares, and depending upon the circumstances of the market and the fortunes of the various investments it would seek to distribute even more of the shares to the general public. I can say that in general terms the principle is one which has been accepted here for some time, and it is one we hope to further.

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POST OFFICE

LABELS ON POST BOXES IN TORONTO ASSURING NEXT DAY DELIVERY IN TORONTO AREA—REQUEST FOR WITHDRAWAL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Postmaster General. Given the fact that thousands of post boxes in Toronto have labels on them indicating that local first class mail posted before 5.30 p.m. will be delivered the next day in Toronto, including Long Branch, East York, Leaside and North Toronto, and given the fact that this is patently false, is the Postmaster General planning to change the labelling of those boxes in Toronto?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, as I pointed out following the hon. gentleman's question to the Minister of Consumer and Corporate Affairs, that surely does not constitute the assurance or the guarantee that that mail is going to be delivered by that time. It is an indication as to when the mail should be dropped into those particular boxes so that effective delivery can be made.

Mr. Gillies: Mr. Speaker, inasmuch as studies have shown that four out of ten times that does not happen, why does the Postmaster General continue to indicate on the boxes that it will happen? It does not happen in four out of ten cases. It should be changed.

Mr. Blais: I do not know what studies the hon. gentleman is referring to, but if he wants to communicate with me, I will provide him with studies which prove quite the contrary.

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FINANCE

ALLEGED FEDERAL COMMITMENT TO AID URBAN TRANSIT PROJECTS—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Finance. In view of the fact that in the next decade Canada will become a net importer of oil at higher and higher prices, which will have a serious effect on our foreign exchange situation, will the government reconsider its decision not to implement the promise made by the Prime Minister during the 1974 election campaign that the federal government would pay 100 per cent of the cost of Canadian-made vehicles for urban transit and other things to the extent of $275 million over five years?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there have been under discussion within the government some possible options with regard to urban policies in which not only the possibilities for urban transit but also the grade crossing fund, rail line relocation and other questions have been considered from the standpoint of priority of government expenditures. However, I cannot say at this point whether there will be any additional funds made available for urban transportation.

Mr. Orlikow: Mr. Speaker, in view of the fact that a number of provincial governments have already instituted programs to share the cost of extending their urban transit systems or to share the cost of meeting the deficit so that the price of fares will not go up, all of which programs help to discourage the increased use of private automobiles and the increased use of petroleum, of which there is a scarcity, will the government be announcing in the near future programs in which it will participate so that municipalities and provincial governments can be encouraged to move toward expanding their urban transit systems.

● (1200)

Mr. Macdonald (Rosedale): The real question is whether with the limited amount of funds available for federal expenditures of this kind the maximum impact can be attained by a new shared-cost program in the area of urban transportation or whether federal funds might more properly be directed to the kind of programs to which the Minister of Energy, Mines and Resources and the hon. member for Nanaimo-Cowichan-The Islands referred, such as the reinsulation program. Obviously, it would be desirable if there were unlimited funds available to attempt to do so but given the absence of that situation it is a question of determining priorities.

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VETERANS AFFAIRS

DEER LODGE HOSPITAL—REQUEST FOR REPORT ON NEGOTIATIONS WITH MANITOBA FOR TRANSFER

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Could he bring us up to date on the state of negotiations between his department and the province of Manitoba with regard to transferring Deer Lodge military hospital to the province of Manitoba.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, there are no negotiations as such with regard to the transfer of Deer Lodge to the province. There have been some preliminary discussions between my department and provincial officials. The purpose of those discussions is more or less to determine if the province is interested and if things can be worked out to the satisfaction of all concerned. It would have to be agreed that a certain number of beds be made available to the veterans and the staff we have employed there would have to be to guaranteed employment. All these things have to be worked out.

* * *

[*Translation*]

PRIVILEGE

MR. BALDWIN—ALLEGED ATTEMPT BY GOVERNMENT TO INTERFERE WITH NEWS MEDIA

Mr. Serge Joyal (Maisonneuve-Rosemont): I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Maisonneuve-Rosemont on a question of privilege.

Mr. Joyal: Mr. Speaker, on Monday the hon. member for Peace River (Mr. Baldwin) raised a question of privilege about an article which appeared in the *Globe and Mail* of June 6 and which reported statements I supposedly made in Montreal on Saturday, June 4. First, Mr. Speaker, I would like to thank you for waiting for me until this morning to continue this debate. As my colleague from Peace River said, my responsibilities in the case of mechanics against Air Canada held me before the Superior Court of Quebec until this morning.

However, let me repeat the substance of my remarks, since I did not read a text which might have circulated and the contents of which I cannot therefore table here this morning. I might recall Mr. Speaker, that on that occasion I was taking part in a "Vigilance Day" organized by the Fédération professionnelle des journalistes du Québec regarding the CRTC inquiry into the CBC and Bill C-43 on telecommunications. I had been invited along with some of my colleagues on this side of the House.

My statements had a double purpose: first, a legal analysis of some of the provisions in Bill C-43 with regard to Bills C-24 and C-25; second, a discussion on the political circumstances which led to the CRTC inquiry into the CBC. The object of Bill C-43 is to regulate the telecommunications system in this country. This is a legislation of capital importance since it deals with the very bases of our political society's structure.

Not so long ago, constitutional law was still restricted to the discussion of the three traditional powers, that is the legislative, the executive and the judiciary, with emphasis on their required independence in principle as a guarantee of popular sovereignty which itself finds its mandatory expression in the most important thing the British law gave us, the rule of law.

[*English*]

We like to boast—

[*Translation*]

—wrote the Chief Justice of the Quebec Superior Court last March—

[*English*]

—that we are living in a political régime where the rule of law is alpha and omega and where the political process does actually respect and bow under the rule of law.

[*Translation*]

It is by the rigorous application of this rule of law to specific decisions or bills that we can assess the duty of the political power to abide by the rule of the primacy of law and its necessary sanction by the courts. Justice Deschesne gave a proper definition when he stated that "our ancestors understood quite well that our political system requires the presence of a court of higher jurisdiction having over physical and moral persons as well as over the courts what was called at that time a power of control meant to ensure that everyone performs the duties required by law but also that everyone stays within the limits of the authority conferred upon him by law.

Should public institution violate the rule of law, transgress its prerogatives, go beyond its powers or be guilty of a patently illegal act, then the confidence of the public in those who are responsible for enacting and implementing the law is destroyed. I will not linger on the incident of L'Agence de Presse Libre du Québec or on others which underline the malaise we feel when those who are responsible for implementing the law violate, deliberately or not, its letter and spirit.

Therefore, in a democratic society, we should be able to rely on clear statutes which are compulsory for everyone and on an independent magistrature, with the power to supervise and control the administration of the law, which recalls the existence of restrictions as far as individual prerogatives are concerned, in brief, which ensures compliance with the law.

Mr. Speaker, I shall not insist on the part of the press, and in particular of the electronic media, in this moving and flowing process, which is difficult to understand and which contributes to public opinion and to the balance which is very difficult to establish between both parts, namely to inform on the one side and to analyse, comment and dissect on the other side. In fact, nobody doubts anymore the fact that the press is a fourth power and that it is essential to the health of our political institutions. Very often it will play part of the role which is theoretically the responsibility of the opposition, when it is not in itself one of the basic mechanisms of control over public administration. All contemporary authors in administrative law recognize the importance of having an alert press in the control process of the administration. I shall mention only Mr. René Dussault and Mr. Gilles Pépin: who stressed adequately the role of the press as an extraparliamentary control instrument.

Now, contrary to those having the legislative, executive and judiciary powers who, in our system, are tied to one another,

even though there exists among them a real independence, the power of the press has evolved progressively in an almost empiric fashion and today it has an outstanding role to play within the body politic. The power of the press has forced itself upon political institutions. To remain a genuine force in our democratic process, the press must obviously be subject to the rule of law and maintain a necessary independence.

Bill C-43 on Canadian telecommunications, because it is intended to regulate all the area of electronic media in Canada, affects the very nature of the relationships that ought to exist between the political entity and the press, the responsibilities they have towards one another and the institutions responsible for ensuring their respective independence. Therefore, we have to make sure that this bill provides the necessary guarantees so that one should not be subject to the other, that each may know the conditions of their respective endeavours and make sure that the rule of law guarantees strict compliance with their particular privileges.

Now, Bill C-43 contains provisions which, if they were to be passed in their present form, would in my opinion allow the political power to disregard totally or partially the legislation in the telecommunications area, without the political power having to prove before anybody, Parliament or the courts, the existence of certain conditions of fact or law which make compliance impossible and without any time limit restricting their duration. Those provisions are found specially in clauses 4 and 5 of Bill C-43 which stipulates that "the governor in council may, by order, subject to any terms and conditions specified in the order, exempt Her Majesty in right of Canada or a province and any agent thereof from the application of this act or any provisions thereof." Now, Mr. Speaker, that provision, stipulating an extraordinary exception to the effect that the governor in council need not require the authorization of the House or any court to justify his decision, was not incorporated in the Broadcasting Act passed in 1967. It strikes me as unconscionable and contrary to our rule of law tradition. When the law exists, it applies to all equally, and only for cause or proof can authorization be given to suspend its application for a time.

● (1210)

However, Bill C-43 in fact changes radically the nature of the CRTC. From an independent and quasi-judicial body that it has always been to date, the CRTC would become more or less an executory instrument partially subjected to the power of tutelage of the government; clause 11 of the bill would authorize the government to slough off the decisions of the CRTC, and oblige it to change them in all or in part; clause 10 would even require the CRTC to convey to the government all information obtained in the exercise of its functions. In short, the bill would in effect strip that body from part of the independence which was its strength and protected it from political interference.

One of the fundamental weaknesses of Bill C-43 lies in the fact that it does not recognize clearly, specifically, the right of the Canadian public to information. Need we be reminded that there is an important difference between the right of expression as mentioned in clause 3(f) of the bill, and the right of the public to be informed, a right clearly and openly expressed which could be enunciated in the first clause, and be the very foundation of the bill. Mr. Speaker, the right of the public to information can be guaranteed in several ways. First of all, it could be legislated at the newspaper ownership level. Regulations could also apply setting admission criteria—

Mr. Speaker: Order, please. The feelings of the hon. member for Maisonneuve-Rosemont (Mr. Joyal) on such an important subject are certainly interesting and most sensible but we are now dealing only with the question of privilege. Any remarks he has to make, not on a general sense but on the question of privilege, are quite welcome. We are now listening to the hon. member speak on the general subject of deficiencies or otherwise in some legislation which is the very subject of the debate.

Mr. Joyal: I am grateful to you, Mr. Speaker. I will try to be brief. I merely wanted to remind the House, which did not have the opportunity to hear me previously on the very subject of my intervention, in what context I did suggest that Bills C-43, C-24 and C-25, which had been the object of my remarks on that particular occasion, did in my opinion contain excessive provisions which escape the powers of surveillance and control of the courts, which are the traditional tenets of our constitutional law, and in which manner it seems to me necessary to point out to this House the importance of a continuous surveillance and control by democratic institutions or by institutions empowered to ensure the primacy of the law, in which manner, I repeat, this house should continuously concern itself with incorporating provisions to that effect in any legislation that comes before us.

I will conclude my remarks rather briefly, Mr. Speaker. As many others in the House who care about setting up in this country a philosophy based upon human rights and liberties which could be the essence of our national unity, I am concerned to see in so many examples and in so many basic aspects of our political system an increasing trend towards powers of exception and intervention to deal with essential aspects of our democratic life.

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my contribution will be brief. The hon. member for Maisonneuve-Rosemont (Mr. Joyal) presented the House with a learned dissertation on the apprehension which most individual members, regardless of party affiliation, sometimes feel. I suggest that possibly the majority of members of this House are concerned about the public's right to know what is said in parliament. Hon. members want to be certain that comments made in the House can be reported to the general public in an unfettered way, free of any suggestion of arbitrary government interference.

My point is this: there have been discussions on the question of privilege raised by my colleague from Peace River (Mr. Baldwin) which show that hon. members are concerned about

this question. We in this House sometimes tend to look at events from day to day, we tend to consider how the news media reports our daily activities and how they report the current crises which arise from time to time in the House, and overlook basic questions concerning fundamental freedoms which we have come to accept in our country. One such freedom is the freedom of the general public to have absolutely unequivocal and unfettered access to reports concerning the proceedings of the parliament of Canada and the legislatures of Canada.

The words of the hon. member for Maisonneuve-Rosemont, he being a supporter of the government party and aware of the activities of government from his vantage point, underline how necessary it is for members of this House to support the motion moved. Let us allow the Standing Committee on Privileges and Elections to assess any possibility of abuse, or the possibility of the government arbitrarily restricting the reporting of the proceedings of this House and the availability of such reports to the general public.

Sir, I submit that since you have heard each of the representatives of the parties in this House speak in support of the motion, you should give the matter serious consideration—which I know you will do—accept the proposition that a prima facie case has been made and thereby allow us to investigate in the standing committee this serious and fundamental question. After the committee has considered the matter it can report back to the House, and the House can, if it wishes, approve the committee's report.

Mr. Speaker: Order, please. I said earlier that I was awaiting the intervention of the hon. member for Maisonneuve-Rosemont (Mr. Joyal). I will give the matter further consideration and very likely give my decision on Tuesday at three o'clock.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Eighth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clermont.,

[*English*]

TRANSPORT AND COMMUNICATIONS

Fourth report of the Standing Committee on Transport and Communications—Mr. Campbell.

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

Food Policy

AGRICULTURE

NATIONAL FOOD POLICY

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, on behalf of the government and, in particular, my colleague the Minister of Consumer and Corporate Affairs (Mr. Abbott) who will also be making a statement, I am pleased to table a dicussion paper outlining the principal elements of a national food strategy to reinforce the basic objectives of our existing food policy. I should stress that while the Minister of Consumer and Corporate Affairs and I are most directly involved in the formulation of any such strategy, other ministers, most especially those representing Industry, Trade and Commerce (Mr. Chrétien), National Health and Welfare (Mr. Lalonde), Fisheries and the Environment (Mr. LeBlanc) and, of course, Finance (Mr. Macdonald), have contributed to this document.

Over the past months concern has been expressed in certain quarters about a national food policy. I have repeatedly drawn attention to the fact that such a policy does exist and has existed for years, but it is clear that until the objectives are emphasized publicly, and the strategy for attaining those goals defined, there will be many who will not be content. As Minister of Agriculture I am very much aware of the responsibility that must be taken by the government to ensure the viability of any policy which touches Canadians at all levels and in all regions.

Over the years the role of agriculture has broadened and its scope has increased. Today agriculture is intricately linked with food marketing in the larger agribusiness context involving the processing, packaging and distributing sectors. One in every four Canadians is now employed somewhere in the food production, processing and distribution chain or in the industries supplying machinery, fertilizer and other food industry inputs. Out of every consumer dollar spent on food, 62 cents goes to the food manufacturers, wholesalers, distributors and retailers. There are slightly more than 200,000 workers employed in the food processing sector today, making it the largest manufacturing industry in Canada.

Despite the decline in the number of fishermen and farmers who constitute the very foundation of the food industry, the industry continues to grow. Why? Because of the greatly increased productivity of those farmers and fishermen who remain. They have discovered that there is no room in today's economic climate for the inefficient producer. This high level of productivity has kept Canada in the enviable position of being one of the very few net exporters of food in the world today. In 1976, agricultural exports totalled $4 billion, and we had a $1 billion surplus which helped offset some of the adverse impact of the deficit in other areas—especially oil.

So food is big business. More than that, apart from the cash value it is an industry which forms an integral part of this country's economic, industrial and social life. The farmer on the land is the first link in a chain which brings the food from the farm to the table in a form that is nutritious, wholesome and affordable. Today's food industry has evolved to meet the increasingly sophisticated demands of today's consumer.

Acceptable food today implies a far more sophisticated set of quality standards than were required, 20, 10 or even 5 years ago. To meet those demands, our own food standards have changed. Food inspection, for example, remains a vital topic of concern and it may be necessary to reinforce standards that are required with today's advanced food technology and changing consumer patterns.

● (1220)

Consumers today are also concerned with rising food costs. They are concerned with getting value for their money. They are concerned about food freshness, availability and quality. They are concerned when they see more of their dollars going into the grocery basket. I would ask hon. members and all Canadians to pay close attention as I outline for this House the basic objectives of a food policy which has been in place and working well for some time past.

The first and prime concern of this policy, a concern which has been and continues to be of great importance to me and my department, is that consumers are assured at all times of high quality food at reasonable prices. The second objective is to assure efficient farmers a decent living. The third aim is to provide aid to countries where people cannot adequately feed themselves; and the fourth is to produce products in which we have a competitive advantage for commercial export. In all instances we must ensure that the many middlemen between the producer and the consumer are operating fairly and effectively in a competitive atmosphere. We have met, are meeting and will continue to meet those objectives. But in the changing international and domestic economic climate our strategy to meet those objectives has to change to meet the challenge of the times.

First of all, it must be clear that any strategy to implement this policy must go beyond agriculture and fisheries programs to include the processing, distribution and retailing sectors; and, very importantly, the strategy must cover consumer concerns. To achieve the goals of our food policy we must continually re-examine, change and update our food strategy. If necessary, new programs must be developed to cover food trade, processing, distributing, retailing, and so on.

For those agricultural products that are traded internationally and continue to be subject to external influences so far as domestic supplies and prices are concerned, international stabilization schemes might not only be discussed, but implemented. As an example, I would cite the Canadian dairy industry which depends upon a strong world market for dairy products if it is to function with less federal economic support.

As to domestic products, to be able to provide quality food at reasonable costs farmers must have assurance that their incomes will not fluctuate from season to season. Some programs already provide the assurances they seek. The Agricultural Stabilization Act, the Western Grain Stabilization Act, the amended Farm Credit Corporation Act already give the farmer some of the economic backing he needs. To deal with income instability, this government is ready to maintain and develop policies which will improve orderly marketing while protecting domestic markets from short-term inflated world market prices. After review, programs will be introduced to extend the protection already given to efficient producers to guard them from production uncertainties, specifically in the areas of crop and disease insurance and resource restoration.

I am aware that any approach to income stabilization must include trade policy and safeguards. Our trade policy will be assessed so that consumers and producers can benefit from a fast, effective system of legislation whenever specific international market disruptions occur that could temporarily distort our own domestic markets. Different protection may be required for some food commodities that are of considerable economic importance in certain regions. For instance, some products of the horticultural industry have excellent prospects of becoming competitive in the longer term, but will require assistance to help them reach the point where they can stand alone.

There is no doubt that better access to foreign markets where our agricultural products enjoy a competitive advantage will have to be negotiated. At the same time, international multilateral or bilateral commodity agreements should be considered where they are in the interest of the Canadian economy. But no matter how good our efforts to improve existing conditions are, the determination to achieve the aims of the food policy will result in less than total success unless we also review and revise our marketing systems. Market information for producers and consumers alike must be readily available and up to date. The role played by marketing boards in achieving this end is certainly of importance. As well as reviewing the total marketing structure, the processing, distributing and retailing sectors will be reviewed according to certain criteria. I am sure my colleague, the Minister of Consumer and Corporate Affairs will be highlighting some of them.

We are still a young country, and it is my intention that agriculture will continue to develop so that more and more we can play a greater part in feeding the hungry of the world. We have a challenge to meet. The document which I am tabling in this House today is a step toward meeting that challenge. This paper examines in detail the many elements involved in creating a practical food strategy to serve, not only the fisherman and the farmer but all those involved in the food chain up to and including, the Canadian consumer.

This strategy stresses the need for consultation with interested groups. Therefore, this fall or early winter, I, in conjunction with my colleagues from the other departments involved, will be calling a working seminar to consider the implications and direction of the effective strategy described in the document being tabled today. Representatives from non-governmental organizations will be invited to attend so that we can establish a productive and continuing dialogue among all sectors concerned with food.

Through continuing communication I am convinced that the elements of the food policy which have to date served Canadians so well can be further strengthened, not only to the benefit of this country but the world.

Mr. Speaker: I understand there is some disposition to allow two statements to be made consecutively, and then have questions.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. This is the second time in the last few days where we have had the Alphonse-Gaston or Mutt and Jeff routine, or whatever you want to call it, with respect to statements. This is not the time to deal with the matter directly, but it does have some effect on the matter of questioning. I realize there are problems between the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Abbott). Perhaps one cannot speak for the government. Maybe no one over there can speak for the government. I hope this is a practice that will not be followed further.

I note that the Minister of Consumer and Corporate Affairs intends to speak. We intend to reply to both statements. When the government is making a statement with respect to a matter of policy, that statement should be made by one minister. If there is some disagreement in the government between two ministries as to what the policy is, perhaps the government House leader could make the statement rather than have two ministers bouncing around.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): We could have a whole field day if we allowed the practice to continue.

Mr. Clark: Wait until Goyer gets back.

Mr. Baker (Grenville-Carleton): I can foresee a bad parliamentary practice. I rise now to put in a caveat in the friendliest way I know, given the difficulties the government has reconciling these two points of view. It has now been augmented and stirred up with the entry of the hon. member for Crowfoot (Mr. Horner) who is against everything. That hon. member is not even on speaking terms with the Minister of Consumer and Corporate Affairs and probably a few others. I know this causes difficulty, but we ought to observe the rules of the House.

Mr. Speaker: Order, please. I understand the Minister of Consumer and Corporate Affairs (Mr. Abbott) is prepared to make a statement on motions. The practice is for a minister to make a statement. If the House wants to accommodate the making of both statements and follow with questions on both statements, it can do so. However, if the House does not want to do that it is not compelled to do so. It is a question of whether it is convenient for those members who want to receive the information before putting questions. I presume it is a departure from our regular practice and therefore requires consent.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I was aware of what the practice was going to be in this case. I spoke to the Minister of Agriculture and the Minister of Consumer and Corporate Affairs, and they very kindly delivered two statements. What I am doing now is filing a caveat for the future so that this kind of practice will not continue. Somehow or other ministers ought to get together and make one statement. This is important for the rules of the House of Commons. We are having two statements today: tomorrow we could have three. Frankly, I think this is a bad practice. However, because of the discussions I am prepared to let the matter go today. In any event, I want to enter that caveat as strongly as I can.

• (1230)

Mr. McGrath: Since this represents a departure from normal practice, Mr. Speaker, I should like some guidance from the Chair. Apparently we are to hear statements from two ministers. If that is the intention, with your consent, since you are the custodian of the practices of the House, I should like to know whether it is Your Honour's intention to allow members who wish to ask questions afterwards, in accordance with the provisions of the Standing Order, extra time in which to address questions to both ministers, as compared with the time usually allocated when one minister makes a statement.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank hon. members for their indulgence. I am pleased to have the opportunity of making a statement at this stage. As hon. members are aware, the food strategy document has been published over the names of myself and the Minister of Agriculture (Mr. Whelan), so I am pleased to have the opportunity to add a few words to what he has said and to give my full support to the document which he has just tabled. Before commenting on the particular interest of consumers I should like to make some general observations about food policy.

I have long been an advocate of a national food policy for Canada and believe we need a strategy for food just as we need national policies for defence, energy or transportation. Our food policy must apply to all parts or components of the food system: to consumers as well as to farmers, to processors and to retailers, to the suppliers of farm inputs and to the exporters and importers of food products and agricultural commodities. Nor should we overlook the role of the fishing industry in our food system.

From the point of view of consumers, a food strategy should assure them of the right to reasonable prices and nutritious food. At the same time, the strategy must be designed to maintain a strong and competitive agricultural industry in Canada and to promote greater efficiency and productivity in food processing, distribution and retailing. But we should not forget that the interests of these various components of the food system do not always coincide. A food strategy is, thus, something of a compromise based on good relations and close co-operation between the various departments and ministers, each with a role in food policy operation and development. I am very pleased that we have been able to develop a food strategy for Canada. It is a clear demonstration of the importance the government attaches to the concerns urban consumers have expressed about the supply, price and quality of their food. This document we have put before the House today

provides us with a basic guide for development of policies and programs for the food sector.

Turning, now, to the strategy itself and to those aspects of special interest to consumers, I would begin by reminding the House that while there is concern about the importance of good nutrition to the health of Canadians about new foods and additives, and about food quality generally, in recent years the main concern of consumers has been with the level of food prices. In the period 1972-75, food prices increased 50 per cent, due largely to events in international grain markets and general inflationary trends. The action taken by the government to protect consumers against these price increases included subsidies on some important foodstuffs including milk and bread. Food prices decreased between mid-1975 and the end of 1976, but there has been a resurgence of food price increases in recent months. The food component of the consumer price index is now over 70 per cent higher than in 1971. It is important, therefore, that the government's food policies and programs assure all Canadians of an adequate supply of safe and nutritious food at prices which are reasonable to consumers and producers alike. We believe our guidelines will enable us to give that assurance.

The government's food strategy represents a set of basic principles to guide the development of policies and programs for the food sector. For consumers, the primary aim is to reassure them that not only is the food marketing system fair and efficient, but also that their interests are taken into account along with those of producers, processors and others, in any government involvement in the food industry.

I would now like to highlight those principles that are of particular interest to consumers. While Canadian consumers need not worry unduly about the sufficiency of food resources or supplies for the foreseeable future, the government intends to work to conserve and restore, where necessary, scarce resources which are essential to food production. The government will use and develop its food policies to encourage the food system to provide food and food services in the simplest, most economical and most direct manner and in the most nutritious and useful form to meet the needs and demands of consumers.

Let me highlight a few new plans of direct value to consumers. We will provide regular price information to consumers on basic foods. We will strengthen the food inspection services. We will work with the provinces to develop national food inspection guidelines. We will strive to improve the productivity, efficiency and competitiveness of food production, processing, distribution and retailing. We will ensure that all appointments to boards, agencies and other institutions utilize widely experienced persons and that the views of producers, processors and consumers are adequately represented.

Mr. Fraser: Aren't you doing that now?

Mr. Abbott: We will improve the structure, procedures and public knowledge of these bodies. We will give increased emphasis to food safety and good nutrition both federally and in collaboration with provincial governments.

[Mr. Abbott.]

In conclusion, Mr. Speaker, I must point out that the strategy represents only a beginning. Much work remains to be done to flesh out the principles we have enunciated in our food strategy into specific policies and programs. This we will be doing over the next months and years. I hope that initially the strategy will stimulate public debate and provide a basis for consultation between the federal government, the provinces and the private sector. For my own part, I would invite consumers and their representatives to communicate to me their views on the strategy, the principles it contains and the next steps to be taken.

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, it is a delight to see we now have the "Bobsy Twins" in the cabinet. I was reminded by statements this morning of the ancient Chinese proverb, "Talk does not cook rice". It is ironic that these statements by the two ministers with direct responsibility for food policy should have been made on the same morning that Statistics Canada reports a further major increase in food costs in the country. That is one side of the problem. The other is that the continuing escalation in food prices is occurring during a period in which net farm incomes in Canada are actually declining. As is so often the case with this government, here, too, it has managed to give us the worst of both worlds.

In this unhappy situation one would have hoped the statement might have provided us with some evidence that the government has a clear sense of direction with regard to the all-important question of a national food policy. But, again, this is not a government which has a sense of direction on anything. Thus, predictably, we are given yet another discussion paper full of the kinds of generalities which have marked the publications put out by the Minister of Finance (Mr. Macdonald) on the basic course of economic policy.

It is worth recording that when the anti-inflation program was announced some 20 months ago, the government in its white paper at that time drew attention to food policy as one of the major sectors to be dealt with during the "breathing space" provided by wage and price controls. Yet it has taken us until today, more than 20 months later, to get even a discussion paper out of the government. The reason for this delay is, of course, known to all of us. It is simply that the two ministers involved, the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Abbott), are in total disagreement over the basic issues at stake here.

Notably absent from the front page of this document are the names of the other ministers who one would expect to be concerned with these issues. Where is there mention of the Minister of Fisheries (Mr. LeBlanc)? Where is the Minister of Industry, Trade and Commerce (Mr. Chrétien)? Where is the Minister of State for Small Business (Mr. Marchand)? Where is the Minister of Finance, the Minister of National Health and Welfare (Mr. Lalonde), and the Minister of Transport (Mr. Lang)? As for the ministers from whom we have just heard, I must congratulate them for at least getting their two names together on the same title page. I only hope there is

some evidence that they had got their heads together, too. In fact, they cannot even agree on the basic question of whether we even have a food policy. Today we had a statement by the Minister of Agriculture saying we have one, and another statement by the Minister of Consumer and Corporate Affairs saying we need one. So much for cabinet solidarity!

Given the fact that these two gentlemen cannot agree on a question as basic as that, it is hardly surprising that the document seeks to come down on both sides of virtually every question involved here. The government is committed to the free market system, but it also favours supply management. It wants freer world trade in agricultural products, but it is determined to strengthen mechanisms to protect our domestic markets. So it goes on. Not only do we have a collection of generalities in this document, but even at the level of generalities the government is simply adding confusion and contradiction to questions which so urgently demand some clarity and direction.

● (1240)

We on this side of the House have never suggested that there is a simple cure-all for a national food policy. The issues here are both difficult and complex. The truth of the matter is that it is going to require a long-term, comprehensive approach in a climate of co-operation, not confrontation. There must be consultation if we are to bring some sense of order and stability to this whole area. Indeed, issues which are outside the direct purview of either of these two ministers and which, as I said before, are hardly touched on in this paper—transportation, land use, income support and subsidies—all have to be considered if we are to have a co-ordinated and sensible approach toward food production and consumption in this country.

To be perfectly honest, Mr. Speaker, I felt very sad when I read this paper. I really thought there was going to be a ringing declaration of how we had to expand the food industry. In 35 years we will be facing a doubled population in this world—seven billion persons in the space of a lifetime. During that time we must construct all of the infrastructure to feed those people. Here we are not talking about that. There is an old saying in my family: Lift the level of the lake and all canoes float higher. Somehow that quality is not in this document.

This document does not even talk about research and development. We have never utilized this approach. Incredible things have been happening in food technology which were utilized in the space program. Where does this document say that we are going to use the science and technology that is available? This is a rather incomplete and sad document. Some of the matters touched on in this paper, even in a general way, are necessary elements in any workable policy. No one will dispute the need for more and better consumer information about food, or the need for better public education on costs and nutrition. Now would anyone dispute the fact, given the shared jurisdictions in so many areas involved here, effective federal-provincial consultation and co-ordination is essential. We all can agree on those general goals. We will have to wait and see how the government plans to implement them in specific terms.

The Minister of Agriculture talks about "working seminars", as he calls them, some time in the late fall or early winter—bless his heart—as if that were the next stage in the process. I say to him that there simply is not enough in this document to warrant waiting until late fall to get things moving. We have all seen just how heavy a price the country has had to pay for the government's indecision and procrastination on major economic issues. I suggest to the Minister of Agriculture, along with his brothers and sisters in the cabinet, that rather than dilly-dallying for another six months he get down to business immediately. Why does the minister not refer this paper to a parliamentary committee and give it an immediate mandate to receive submissions from all groups with a direct interest in these questions? This paper is simply an agenda for discussion. Why do we not have serious debate? Who knows, Mr. Speaker, perhaps a parliamentary committee could make recommendations that even the two ministers could agree on. One is reminded that sometimes no matter how you slice certain kinds of pork, it is still baloney.

If these statements show one thing about the minister's knowledge of the food system, it is that he certainly knows, how to package. One wonders whether this is the first document in the election campaign literature. However, as anyone in the food industry can tell you, Mr. Speaker, packaging is nothing without delivery. This government must deliver on a food policy.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the most important thing about this document is its timing. It is brought before the House the day after massive publicity regarding the Ontario election. With all the papers full of the election coverage, the minister announces a new food strategy. I sympathize with the government. If I were a member of the government I would not dare release this information on a slow moving news day; it just would not be worth while.

We do not have anything new in this package, Mr. Speaker. It is simply a further study of some of our food problems, a cataloguing of some of the programs that are in place. The Minister of Agriculture (Mr. Whelan) argues that we already have a food policy. The Minister of Consumer and Corporate Affairs (Mr. Abbott) says that we do not have one. We still have disagreement between the two ministers in their statements to the House. As I say, there is nothing new in them. They are a typical piece of Liberal rhetoric for whenever the election campaign comes. They summarize existing policies.

About a year ago we had the DM Ten report which talked about a number of aspects of food policy. I think it is relevant to ask what the government has been doing for the last year, because the conclusion reached by this food strategy paper tabled today is that we need further assessment of food production in this country before we come up with a definitive program.

The statements are also full of all kinds of beautiful platitudes about food production in this country. As has already been said, some of these platitudes are conflicting. The Minister of Consumer and Corporate Affairs, in his statement, speaks about a market system. The Minister of Agriculture refers to marketing boards and orderly marketing. There seem to be conflicting objectives. Perhaps the statement made by Walter Stewart in his book is quite relevant; he said "divide and con" is one of the objectives of this government's food policy. They are dividing the consumer and the farmer, and at the same time trying to con both of them.

This food policy statement, if it is such a thing, is based on the same old market system we have had for years. It does not analyse any of the problems of that old market system. It does not offer any changes at all. The minister may say that changes are made, but let me analyse some of the changes that the Minister of Consumer and Corporate Affairs is suggesting today. He says, first of all that the government will provide regular price information to consumers on basic foods. What does he mean by that? If he were going to provide some price information on a store by store basis, then that might be helpful to consumers; but I am sure he will not do that.

Secondly, he says the government will strengthen food inspection services. What does he mean by that? Is he going to tackle some of the junk and artificial foods sold in this country? He does not say. Thirdly, he says the government will work with the provinces to develop national food inspection guidelines. For goodness sake, Mr. Speaker, I hope he does work with the provinces: What is so new about that? Fourthly, he says the government will strive to improve the productivity, efficiency and competitiveness of food production, processing, distribution and retailing. The government has said that, probably for the last 110 years. Fifthly, he says the government will ensure that all appointments to boards, agencies and other institutions will utilize widely experienced persons, and that there will be a balanced view. I hope the government is already doing this. I hope that not all the people appointed to these boards are defeated Liberal candidates, and that some of them do have balanced views.

The final point the minister makes is that the government is going to give increased emphasis to food safety and good nutrition, both federally and in collaboration with provincial governments. Again, Mr. Speaker, that is a nice platitude; but what is the government going to do about it? All governments in this country last year spent about $1 million on nutrition information and education, while the private food chains spent about $90 million on advertising their products. What is the government going to do in this area? Again, it does not say.

In the statement of the Minister of Agriculture these same types of platitudes are made, but he does not elaborate on any specific policy. For example, he says that we need an international stabilization scheme. The government has always said this. But what new action is being taken to stabilize food prices around the world? He is saying that the problems of the farmers can all be looked after by the Agricultural Stabilization Act and the Western Grain Stabilization Act, these great and wonderful programs which are in place and which will be maintained. He does not talk about improving them, despite the fact that gross farm incomes fell by 31 per cent in January, 1977, compared with January, 1976. Nothing new is being proposed in this regard. We know those programs are not fair or equitable and that they will not improve the incomes of farmers in this country.

The minister also talks about our trade policy and says it must be reassessed. How is he going to reassess this policy? What new things is he going to propose? What is he going to do about tariffs? The average tariff on farm goods in this country is less than one-half of 1 per cent, and the average manufacturing tariff is something like 20 per cent or more. What is he going to do in this area? Everything he is talking about in this food policy is really a bunch of platitudes and generalizations. It is a "nothing" statement, with nothing new in it.

● (1250)

We have had about one year of speculation concerning a food strategy for our country. It was supposed to co-ordinate things in Canada and do something about the crisis which I think is imminent. We have had two ministers scrapping and fighting with each other for the last year. They have let us see some of the documents and the conflicting views. Now they have come up with a statement which is a compromise and a mish-mash of ideas. It is a document which is absolutely, totally irrelevant. It is a typical Liberal gimmick as we go into an election campaign.

In the meantime, there are a lot of things which should be done. As the hon. member for Ottawa-Carleton (Mrs. Pigott) mentioned, there is a problem of food availability in the world. How are we going to feed those people? We cannot feed them now. How are we going to feed them when I am on the old age pension? The ministers should turn their attention to that problem. They do not do anything about land use. The minister's own department talks about 250 acres a day of good farmland going out of production in Canada. There is no leadership by the federal government to preserve good land for the production of food. They do nothing about the availability of food in this country, despite the fact we are already a net importer of food in Canada, if you take away grains and oilseeds.

Some hon. Members: Hear, hear!

Mr. Nystrom: The Minister of Consumer and Corporate Affairs said that we will have no problem with the supply of food in the foreseeable future. We had a deficit last year of $1.5 billion. If you look at the government's own statement on food strategy for the same year, you will see they indicate the deficit is $1.9 billion. They cannot even get their figures straight. That is the situation we face in this country.

There is also the question of energy. The government did not talk about the impact of energy prices or the shortage of energy. That is important—its impact on the food strategy. The food sector uses about 15 per cent of the energy in this

country. What is going to happen to prices when the cost of energy climbs? What are they doing about conservation in the food area? What are they doing about alternative sources of energy for producing food?

Already we are aware of what increased fuel costs have done to some of the fruit and vegetable growers in Ontario. That is the minister's own province, and still he has not looked at it. What are they doing about the environmental effects? We have soil erosion in this country. The quality of our soil is going down because of increased use of pesticides in Canada. That raises some serious questions about the quality of food in the future and the quality of our soil. What are they doing about that? I have already mentioned tariffs. What are they doing about tariffs? Canada is becoming less and less efficient in the production of food.

Aside from the availability of food, the government should have dealt with the quality of food. The Minister of Consumer and Corporate Affairs said that consumers are becoming more and more conscious and concerned about the quality of food in this country. He did not say what they were going to do about it. Some 1,800 different chemicals are put into our food on a routine basis, and there are hundreds of others which are used. There is more and more linkage of some of our diseases today to the type of foods we are eating in this country. Nothing is being done about this. There are no new policies in terms of the quality of food in Canada.

Mr. Speaker, before you rise to cut me off, there are no changes in the manner in which we produce food in this country. The government is not going to change the old market system which has created a lot of our problems. They are not going to bring more equity into the food system for farmers, on one side, and for the consumers on the other side, despite the fact that we have had a drop in farm income and an up and down bouncing of prices over the years.

There are many problems to be faced if we want to have a good food policy in this country. The farmers of my area are concerned about the so-called government ideas regarding bigness, efficiency and competition. Farmers believe the most efficient way of producing food is through the family farm unit. What new ideas and policies do we have to protect that method of producing food? The government sits idly by while there are certain forces in the west promoting huge inland terminals to replace the country elevators. Huge companies are coming in to to squeeze out the wheat pools. What new policy is there to protect the family farms across this country? Those are the questions which have to be raised. It has been a sham and a public relations job by the government as they enter an election campaign.

Mr. Towers: Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs concerning food safety and good nutrition. Some time ago I asked the minister, due to the fact that offshore meat was of an inferior quality, what the position of the government was as to the labelling of that meat. At that time he said he was going to have a meeting with the Minister of Agriculture. Can he tell us whether he has had that meeting with the minister, and what the results of it were?

Mr. Abbott: Mr. Speaker, I did not meet directly with the minister, but I asked officials of my department to consult with his officials. The question as to the quality of meat from offshore would be principally that of the Minister of Agriculture.

Mr. Towers: Mr. Speaker, I would like to have the reaction of the Minister of Agriculture and his position in regard to the labelling of offshore meat, so that the Canadian consumer will be aware whether it is inferior quality meat which is being purchased or whether it is domestic quality meat.

Mr. Whelan: Mr. Speaker, if the hon. member is concerned about labelling, that it is going to be labelled as inferior quality, etc., we could not do that because the protein content is practically the same as it is in Canada. The nourishment and nutrition in that meat is practically the same as you would get from a similar kind of meat in Canada. It meets those standards, and there is nothing one can do to change that. If frozen meat is brought in and put on a meat counter, it changes colour and it is easily recognized as compared to a fresh Canadian meat product.

Mr. Towers: Mr. Speaker, the minister did not answer my question. What are the possibilities of having it labelled as offshore meat?

Mr. Whelan: It would be an additional cost to the consumer, mainly. I do not know what advantage it would be to them.

Mr. Towers: Oh, come on.

Mr. Whelan: It is being considered. We are looking at many different foods being brought into Canada. We have had requests from many consumers in Canada similar to the request the hon. member has made. They want to have a label which indicates whether it is a product of Canada or whether it is an imported product. There is no denying that. There is a general trend in the consuming public to want that form of labelling on any product they buy.

Mr. Speaker: Order, please. It is one o'clock, and there are several members who have indicated a desire to ask questions. There has been a double statement. The hon. member for St. John's East (Mr. McGrath) made a point earlier with respect to the expectation of quite a number of questions with respect to these statements. It is always possible to continue in an attempt to finish such questions. If there were a suggestion to continue, I could take it under consideration. I must have some indication of consensus as to the House rising now in the ordinary way and returning at two o'clock in order to complete this matter, together with the remaining routine proceedings. Is there unanimous consent of the House?

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: At one o'clock hon. members were questioning the ministers upon the statements made by the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Abbott). The hon. member for St. John's East (Mr. McGrath) has the floor.

Mr. McGrath: Mr. Speaker, I would like to ask the Minister of Consumer and Corporate Affairs if, in the pursuit of a food strategy and the concomitant investigation into the food industry in Canada, he can tell the House, as the minister responsible for the protection of consumer interests in the government, whether he favours the supply-management concept as exemplified by the Canadian Egg Marketing Agency, and if he can tell the House whether he has satisfied himself, bearing in mind the fact that his department has made a study of this, that the supply-management concept is in the best interests of the consumer.

Mr. Abbott: Mr. Speaker, the present supply-management scheme is operating in eggs, turkeys and milk. I think they are operating with varying degrees of success. As the hon. member knows, we have examined to some extent the competitive aspects of marketing as well as other sectors of the food economy, and I would want to correct the impression which was created by news reports that this strategy implies that we will launch an over-all investigation into the food industry. That is not the case. But we are going to take, consistent with this strategy, a very close look at the whole area of retailing, processing, manufacturing and marketing. I think that is in the best interests of Canadian consumers. The hon. member asks about my general enthusiasm for supply-marketing as it might be extended to other areas. I would say that I think there are preferable methods of marketing.

Mr. McGrath: In October, 1975, the Food Prices Review Board addressed itself to the question of broiler chicken prices and made specific recommendations, one of which came out against the inclusion of broiler chickens under the Farm Producers Marketing Board and, among other recommendations, they recommended that the federal government should take more vigorous action to combat and eliminate the constraints of interprovincial and international trade in the broiler industry which are contrary to the BNA Act. I would like to ask the minister if he, as the minister responsible for the protection of consumer interests, has looked into the question of interprovincial and international trade constraints by agreement which are clearly contrary to the BNA Act and which in most instances are contrary to the best interests of the consumer.

Mr. Abbott: I confess that I have not taken the opportunity to analyse closely this aspect of the marketing of poultry products in Canada. As the hon. member is aware, perhaps, cabinet is currently considering the whole question of existing poultry marketing boards, so I am somewhat limited in my capacity to respond to this question.

● (1410)

Mr. McGrath: The last time the government seriously addressed itself to this question was in 1972 when it established the special committee on trends in food prices. That committee made a number of recommendations. The last recommendation, which was made in 1973, was the following:

> That the federal government give consideration to the advisability of establishing a comprehensive and realistic long-term food policy for Canada, coordinated through the Department of Agriculture and that the government give consideration to having this matter referred to appropriate standing committees.

Can the minister tell the House why the government did not act on that recommendation of the committee?

Mr. Abbott: I assume the hon. member means the recommendation to refer this food strategy policy that they recommended being developed to a particular committee or to other committees.

Mr. McGrath: No.

Mr. Abbott: Perhaps I did not grasp the hon. member's question. This is the first step in producing a food strategy. It is not necessarily evident from this that we will not be referring it or parts of it on occasion to standing committees, consistent with that recommendation.

Mr. Murta: Mr. Speaker, I would like to follow up on that point. I will direct my question to the Minister of Agriculture. The whole question of a food policy is too broad for a single parliamentary committee. Is the government giving any consideration either before the House adjourns or certainly in the fall to setting up a committee which could take possibly a few months to look into the whole aspect of a food policy for Canada and which would report back to the Minister of Agriculture, the Minister of Consumer and Corporate Affairs, the Minister of Industry, Trade and Commerce, or other ministers involved?

This committee could touch on the whole question of food policy. The matter is probably too complex to allow one specific department to be involved. There are too many people and groups of people who want to have some input into the question of a food policy, and to my way of thinking a parliamentary committee struck by the House of Commons would be the most realistic way of doing it. Has the government given consideration to this and can we look for that type of committee as a result of the recommendation?

Mr. Whelan: Mr. Speaker, this has been discussed and I tend to favour some kind of committee. The hon. member for

St. John's East referred to a committee recommendation of 1973. I was a member of the former joint committee of the House of Commons and the other place at that time. There has been much talk of a food policy and a food strategy. As I said earlier, there will probably be much more talk; but as far as I am concerned, if a committee can be informative and if it can make information available to the people of Canada with regard to our food policy and with regard to what kind of strategy we should have to improve that food policy, that might be a good thing.

Mention was made here earlier about the things we are doing in scientific research. I think we are too quiet about that, because people from many other parts of the world and people from much larger nations than ours come here to see what our agricultural scientists and research people are doing. We are the envy of the world because we live in the northern hemisphere and are as productive as we are. I tend to lean toward the hon. member's suggestion, but how quickly we can get on with it is another matter. The hon. member is aware of the committees we have and the backlog of work they have. However, we will certainly be discussing this matter further.

Mr. Murta: I am glad to hear the minister say that. I concur with him, and I think the idea most of us here would have for a committee would be to use knowledgeable people from the various sectors of the food industry. We should use producers, processors and consumers. We should strike a special committee. In that way the whole question could be put before the public and discussion could be generated.

It has been adequately expressed that it was a very watered down and a somewhat limp statement made this morning by the two ministers involved. It really was a statement of the obvious, except that the Minister of Agriculture mentioned that a working committee would be struck this fall. As I understand it, this committee will consist of intergovernmental people. What prompted this kind of statement in the first place? It was really a statement of the obvious. Certainly, those of us who have been involved with agriculture and food policy want to know what the government is doing and what the various political parties are doing. Much time has been consumed, and the various roles of the various segments of our food industry have not been clarified. Did consumers ask for this statement? Did producers ask for it? Did the Minister of Consumer and Corporate Affairs want this kind of statement? What was the reason for it?

Mr. Whelan: Mr. Speaker, I think it is a result of a series of occurrences. There have been requests from various groups in Canada. It is the result of political commitments of the government of Canada. The government committed itself to putting this kind of program together. The hon. member says he wants an interparliamentary committee of the Senate and the House. Perhaps the hon. member did not say the Senate: perhaps I am putting words in his mouth. However, that would probably be a satisfactory committee as far as I am concerned and bearing in mind my philosophy on the other place. A paper was referred to this morning by two hon. members who spoke before we adjourned at one o'clock. When we speak of a paper in terms of its being a political document, I do not think the hon. member would suggest that we should use any such thing as a political document unless we are afraid of its substance.

Mr. Fraser: There was not much substance.

Mr. Whelan: When one studies the facts which have been put together in the document and the recommendations which are made in it, one can see that this is the first time such a document has been put together. It was put together in co-operation with the Department of Fisheries, the Department of Finance and all the other departments directly involved in this program. The program involves food production, processing, distribution, transportation, and so forth. The food industry is the largest industry we have, and many people have to be involved in it. So the statement came about as a result of requests from many different sources.

Mr. Murta: Mr. Speaker, I would like to ask a question of the Minister of Consumer and Corporate Affairs. I do not know whether I am putting words into his mouth, but I think he alluded to a preference for other methods of marketing besides supply-management. I would like to ask the minister whether the Department of Consumer and Corporate Affairs has a group of public servants assessing, from the department's point of view, methods of marketing other than the supply management concept which, of course, is based on supply and demand. Is anybody looking at other methods of marketing which may be applicable to the Canadian agricultural situation?

Mr. Abbott: As I understand the definition of supply-management, in contrast to the hon. member's point, the government attempts, through a board, to judge what the supply and the demand will be and to allocate quotas for supply, and so forth. This is an innovative technique which, if it were based on any further application, would be less preferred than other methods. This does not mean, contrary to the popular view, that I am opposed to the general concept of marketing boards, and I have said that on many occasions.

• (1420)

I have what is known in the department as a food policy group composed of some very able people who advise me on specific food matters. They do not spend their time studying alternative methods of supply-management, however, because we honestly believe that for the majority of commodities in Canada we already have a marketing system which has proved very effective. We also have emergency procedures for border protection of imported products which may come in at distress or dump prices, and we have stabilization plans for producers to protect them from market fluctuations. It is not a matter of dreaming up some revolutionary, new scheme for marketing. There is an existing apparatus that has proved very effective, and I am somewhat reluctant to move into supply-management for a greater number of products than it already applies to.

Food Policy

Mr. Nystrom: Mr. Speaker, I have questions for both ministers, but I will start with a good Conservative. Would the minister be willing to have his food policy advisory group appear before the standing committee on agriculture so that the committee could have some input?

Mr. Abbott: I am sorry; would the hon. member repeat his question, please?

Mr. Nystrom: Would the minister be in favour of letting the food advisory group appear before the committee so that they can be questioned? This might be valuable to the committee.

Mr. Abbott: This is a new idea, Mr. Speaker. Certainly I do not regard myself as a good Conservative; in fact, I have rarely met a good Conservative. I do not think it would be reasonable to ask policy advisers to appear before the committee. They really do not have any responsibility as civil servants apart from advising the department.

Mr. Nystrom: Mr. Speaker, my next question concerns the suggestion in the policy statement about investigation into the processing, retailing and distribution industries. What is meant by an investigation? The competition bureau already has some power, so is the minister going to make changes?

Mr. Abbott: What we stated is that the government undertakes to concentrate on the competitiveness of food processing, distribution and retailing by monitoring the performance of the sector, including a variety of other definitions. In no case does the paper say it is going to do more than direct the bureau of competition, also falling under my responsibility, in an appropriate manner to study this sector. This is not, as was stated on radio, an investigation or any sort of witch-hunt. We are simply going to look across the board at the competition features of that economy, or lack thereof, and direct the competition bureau to keep a vigilant eye and carry out inquiries as it intends to do in a variety of economic areas in various parts of the country.

Mr. Nystrom: I will switch now to the more progressive minister. There was a gap in the policy, and I should like to ask about this area, that is, self-sufficiency in food production. According to the stance of the government in the paper tabled this morning, if we take away grains and oilseeds we had a deficit of $1.9 billion last year. I think that is important in terms of the balance of payments and jobs. What plans does the government have to produce more food and become self-sufficient? The deficit will probably increase because the price of grain is falling. It will probably be over $2 billion next year.

Mr. Whelan: Mr. Speaker, one thing I want to make clear is that everybody on this side of the House is very forward-thinking. I would not be found guilty of using that word the Conservative party has used so often and that has proved so false—"progressive." We have done all kinds of studies. We know that we import more food than we need in order to have a proper diet in Canada. The minister from Prince Edward Island is not here, and I do not see any other members from that province in the House, although there are some from New Brunswick. For their benefit, I want to say that one medium-sized potato, without gravy or any other garnish, will provide all the vitamin C one person needs in a day—and it is not fattening. We import too much of that sort of thing into Canada.

Mr. Fraser: The "one spud a day" boys march again.

Mr. Whelan: I did not hear what the hon. member said. If it was as great as his contribution to the Conservative leadership campaign, maybe it does not matter. We are exploring trade with developing countries which produce things we cannot produce here. The hon. member from western Canada stated that if it were not for cereal grains we would not have the balance of trade that we enjoy in food. I would point out, however, that without the other farmers we would have to import all our food and would be paying high prices for it.

I think his suggestion is ridiculous. He spoke about vegetable oilseeds, etc. But, Mr. Speaker, we are in a very fortunate position. Our agricultural industry is very productive. I apologize for what I said about the hon. member being ridiculous, if he was referring to the great productive capacity of farmers in western Canada. Even Ontario is rapidly becoming as great a grain producer as Manitoba. Production has gone from 30 million bushels of corn to 160 million or 180 million bushels in Ontario alone. There is no reason why we cannot be self-sufficient in oil-bearing seeds and even export more than we do at present. These are some of the things that our scientists and researchers are constantly working on.

The hon. member put a question regarding supply-management to the Minister of Consumer and Corporate Affairs. I do not know why he did not ask me, because I would like to comment on that. I do not think we need any more supply-management in agriculture than in any other industry—the taxi business in Ottawa, for instance.

Mr. Nystrom: A last question, Mr. Speaker. I asked the minister what policy he had to produce more food in Canada. He talked about grain, corn and potatoes, but did not answer the question. The paper he tabled today shows that if grains and oil seeds were omitted, the deficit would be $1.9 billion. Is it the policy of the government to produce more food in this country, or is it not? That is very important, not only for farmers but in order to create jobs in the processing industry, the balance of trade, and so on.

Mr. Whelan: Mr. Speaker, I do not want to take up too much of the time of the House. When the hon. member talks about producing more food, I hope he is not suggesting that we produce it, just pile it up then hope somebody will buy it. That would be acting like Santa Claus. If we just use stabilization, then efficient producers will take advantage of the program and we will end up with piles of food that have to be distributed, or dumped. Is that what the hon. member means by more food production? I know that my farmers—our farmers, I should say, or my farmers, because I am the Minister of Agriculture, or at least part of the Minister of Agriculture—

An hon. Member: Don't forget Otto.

Mr. Whelan: If they were given the proper incentive for nearly any of those things that our climatic conditions will allow us to grow, productivity could be increased by 50 per cent in five years. But we must make sure they get a proper return. That is what we point out in the strategy paper. It is wasteful and uneconomic to let the producer think that the food will be thrown on the world market in distress form. This is what happened with skim milk powder. The OPEC countries, Japan and everybody else got tremendous bargains, but it cost our producers money because of the biological entity we were dealing with called the cow.

● (1430)

You learn from experience. You can store grain for years so long as you store it in good condition and keep it dry. But you cannot store all commodities. It sounds grand and charitable to say "Store the food you produce." But, Mr. Speaker, some of it you cannot store, some of it you cannot sell, and some you can't even give away. I say, be realistic instead of making such wild, far-out suggestions.

Mr. Elzinga: Mr. Speaker, the Minister of Agriculture requested a question on supply-management. Is the Minister of Agriculture's concept of supply-management the same as that just enunciated by the Minister of Consumer and Corporate Affairs?

Mr. Whelan: Mr. Speaker, we do not differ very much on that, but I am sure even identical twins differ somewhat. We have been called identical twins, but there is nothing identical about us. Just look! When I was talking to the Toronto board of trade about all the things I am trying to do, someone sent me a note saying, "Keep talking, you sound like a Tory." Needless to say, I sat down.

Mr. Elzinga: A supplementary question, Mr. Speaker. It was nice to hear the minister confirm, for a change, that he agrees with the concept the Minister of Consumer and Corporate Affairs just explained, for that minister told the House he believed that we should have government-operated boards for supply-management, instead of producer-operated boards. Apparently the minister agrees with this, and I am glad he put it on record. If he disagrees, I suggest that it is time for the minister to listen more and not talk so much.

Mr. Whelan: Mr. Speaker, I suggest the same to the hon. member. I said we differ. I said that basically I agree with his principles concerning supply-management. But you cannot have a rigid society totally based on supply-management. However, the hon. member knows exactly, because he asked me in committee if I supported the concept of producer-run marketing boards. I certainly do. I do not believe in bureaucrats running them. They do not run any for which I am responsible.

Mr. Abbott: Mr. Speaker, I rise on a point of order. I did not state that I do not believe in producer-operated boards. I said I do not favour a wide expansion of supply-management whereby bureaucrats essentially would set the estimates of demand levels. That is the only reference I made on the point, and I want to correct any possible misapprehension.

Mr. Elzinga: Mr. Speaker, I rise on the same point of order. I say to the minister—and the record will show, I suggest—that he said "government operated boards."

Mr. Deputy Speaker: Order, please. Hon. members ought to be aware that this is a time set aside for questions and answers, not for statements to be made from both sides of the House. If the hon. member wishes to ask a supplementary question, I will recognize him. If nobody wishes to ask questions, we shall proceed to orders of the day.

Mr. Elzinga: Mr. Speaker, may I direct one further question to the Minister of Agriculture? What does the minister think of Bill C-42, and how does he think it will affect the food policy he just enunciated in the House?

Mr. Whelan: Mr. Speaker, I do not think we should discuss Bill C-42 as it was presented to the House. I am willing to wait until that diligent, thorough and intelligent committee of the House of Commons has finished its studies and brings in its recommendations.

Mr. McGrath: Mr. Speaker, my question is for the Minister of Agriculture. Since the Minister of Consumer and Corporate Affairs just confirmed he does not favour wider application of the supply-management concept, such statement originally having been made in reply to my question concerning the possibility of setting up a broiler marketing board, I ask the minister if he favours the establishment of a broiler marketing board under the farm products marketing act. If so, how can he be of that view, considering the dichotomy developing between himself and the Minister of Consumer and Corporate Affairs? Finally, will the minister tell the House—since we shall probably never see a repetition of today's double act in which two ministers make a statement—which minister will be responsible for implementing this strategy? Will it be himself, as Minister of Agriculture, or the Minister of Consumer and Corporate Affairs?

Mr. Whelan: Mr. Speaker, my colleague said the question of a broiler marketing board is before cabinet. I am surprised at the hon. member even asking the question. Perhaps the hon. member is trying to cast doubt on this question. The hon. member for Elgin and others have raised this question under our Standing Order 43 procedures. They want to know why I am not going ahead with the establishment of a broiler marketing board. I suggest the hon. member should consult some of the people in his party who are concerned about broiler production, because perhaps they can lend a helping hand. When I have talked on this subject to members of his party outside the House and asked, "Have you spoken to the hon. member for St. John's East?" they have told me, "We have our own problems, too."

Mr. McGrath: Yes, but where does the minister stand?

Mr. Whelan: Parliament passed a law allowing poultry producers to make representations to the government, to say if they want to come under the national farm products marketing act. The poultry producers of this nation followed the proper procedure and held hearings across the country. They made representations to the Minister of Agriculture and I forwarded those to the cabinet. I say that our food strategy will be a harmonious strategy worked out by myself, the Minister of Consumer and Corporate Affairs and other ministers concerned. One of the hon. member's colleagues this morning suggested that we are the people involved in the question. We are very much involved in this strategy paper and will be involved in attempts to make our food strategy work even better.

Mr. McGrath: If that is harmony, you are playing off-key.

Mr. Jarvis: Mr. Speaker, the Minister of Agriculture has often spoken of oversupply of a commodity, but I think neither he nor the Minister of Consumer and Corporate Affairs considered the question of undersupply. The minister said we can increase the production of certain commodities by several hundred per cent—I forget the exact figure. I ask, what strategy does the government propose to assure supply? Will that strategy penalize producers for underproduction, for not producing enough? For instance, three dairy seasons ago we encountered real difficulty when the production costs of milk supplements and concentrates rose steeply and milk production for the first time in our history actually decreased. Will any part of the strategy ensure certain specific levels of production? Further, does the minister propose to penalize producers who underproduce? So far he has talked about surpluses but not about underproduction.

Mr. Whelan: Mr. Speaker, the production of several commodities is governed by marketing boards. Let us be fair. Federally, we exercise control over the production of eggs and turkeys which come under the National Farm Products Marketing Board. The production of milk comes under the Canadian Dairy Commission established by an act of this parliament. Also, we have the Canadian Wheat Board, established in 1935 by the government headed by R. B. Bennett. However, no action was taken with regard to the Canadian Wheat Board Act until 1948.

Mr. Justice Emmett Hall said in his recently handed down report that the people of western Canada are unanimous in their support of the Canadian Wheat Board, a marketing board. No matter what anyone says, the Canadian Wheat Board is a marketing board. The hon. member sitting on my left said, at the recent dinner held in Toronto honouring him, that he was proud because as a civil servant he had been able to assist farmers. He was speaking of the setting up of the Canadian Wheat Board. The hon. member opposite talked of penalties for underproduction. Underproduction of what?

Mr. Jarvis: Milk.

[Mr. McGrath.]

Mr. Whelan: I have nothing to do with penalizing for underproduction of milk, as the hon. member knows. There is a milk marketing system in Ontario, and Ontario just went through an election. The Conservative premier did not win the election outright, as he thought he would. I was surprised to note that not one of the party leaders fighting that election mentioned marketing boards, especially since 80 commodities produced in Ontario come under some sort of marketing board. Was this question raised as an issue? The provincial minister of agriculture, Mr. Newman, made a statement on marketing boards. He sent me a copy of it during the election campaign and said, "Gene, I am 100 per cent behind you in what you are trying to do for agriculture. However, that does not mean you have to be that rigid about marketing boards. The options with regard to marketing boards are as varied as the colours of the rainbow. The farmers can make that selection. The hon. member says the producers should make that selection, but do not foist anything on them. The beef producers in western Canada expressed the opinion that they do not want one. No one will foist anything on them as was done in 1935 with the Canadian Wheat Board. It is a fact that that happened at that time.

● (1440)

Mr. Jarvis: What about milk?

Mr. Whelan: Milk is one of the most difficult products in the world to market. In our society we are throwing away food that is very costly to produce. It requires energy to manufacture the machinery, till the soil and do the planting. Even though it takes all that energy, we throw away 300 pounds of food per man, woman and child in all of Canada. We talk about penalizing these people because they do not produce enough. There is nothing in any program for which I would be responsible that would be so ridiculous. I do not know of any provincial program that penalizes if they are short of production. They are penalized at the bank.

Mr. Jarvis: Mr. Speaker, the minister has given a speech. I will not ask for equal time.

Mr. Deputy Speaker: Of course, there is unlimited time in this question and answer period. It is all right for the minister to say he does not want to take the time of the House, but I think he has had adequate time. We want to get on to the regular proceedings. I will permit one last question.

Mr. Jarvis: The minister knows full well that had it not been for the Ontario Milk Marketing Board, production would have dropped substantially because of the threat of the lower quota. Do not let him tell me or anyone else that marketing boards have not been penalized for underproduction. That is absolute nonsense. The minister used milk as an example. I will use the same example. The minister says he has no control in the province of Ontario or any other province. Every cheddar cheese plant in Ontario is short of milk. The minister is aware of the figures; they are available in his department. How can he say there has been overproduction, when cheddar cheese plants in my constituency and those of my friend to my

left—and probably in the minister's own riding—are short? How can he justify that shortage and at the same time import millions of pounds of offshore cheese? I think it is 50 million pounds.

Mr. Whelan: Mr. Speaker, the Ontario Milk Marketing Board distributes milk in Ontario. They distribute their share of the national quota; we do not distribute it. They say whether it will go to the cheese factories. At the present time their quota is reviewed every three months. They can make application to have it increased if they wish. They can do that if the production needs are there. Don't blame the dairy commission for that.

Mr. Deputy Speaker: Order, please. I would ask the minister to resume his seat. This is developing into a debate, and it is not the time for debate. We have had a statement by two ministers. Questions should be related to those statements, and not to all policies of both departments. I see that the Minister of Consumer and Corporate Affairs, of whom a question has not been asked, wishes to comment on an answer by the minister. Unless he is rising on a point of order, we should proceed immediately to the introduction of bills.

Mr. Abbott: Mr. Speaker, I rise on a point of order. To use the words of the late C. D. Howe, perhaps this is degenerating into a debate. At the same time, I feel I should have an opportunity to clarify one answer to a question asked by the hon. member for St. John's East. The answer of the Minister of Agriculture was incomplete. He has taken words out of my mouth and used them in his own statement. I will not take very long, perhaps a minute or a minute and a half.

Mr. Deputy Speaker: If the minister is not to generate another debate and bring the hon. member for St. John's East to his feet, I will give him the opportunity, as I would any hon. member, to make a point of clarification. However, I invite him to do it briefly and be to the point.

Mr. Abbott: Mr. Speaker, the point of clarification I want to make is that the Minister of Agriculture is quite right to support the schemes that now exist. He stated, quite accurately, the broiler marketing plan has been the subject of public hearings and is up for consideration by cabinet; but I said, expressing a personal view, that I would regret it if the supply-management concept was extended to many more commodities than it now applies to.

Mr. McGrath: That is exactly what he said.

Mr. Gray: Mr. Speaker, I rise on a point of order. It is my impression that this question period is not limited to people on only one side of the House. I wish to ask a question related to the statements that have been made.

Mr. Deputy Speaker: The hon. member did not rise in his place during the time of the question period. After I told the hon. member for Perth-Wilmot that he was the last questioner, and the hon. member saw an argument developing, he saw a reason to ask a question. In order to be fair to members of the government as well, I will recognize the hon. member, but on principle and not because the hon. member has helped himself to be recognized.

Mr. Gray: I appreciate your courtesy, Mr. Speaker. I guess I was not popping up high enough earlier in the period. I wish to ask the Minister of Consumer and Corporate Affairs a brief question. He said it was not a case of the government launching an over-all investigation into the food industry. I recall the statement by the Minister of Agriculture that there was to be a "review" of the "total marketing structure", including marketing boards. Can the minister assist us by explaining exactly what kind of study is going to be carried on? Will it be anything more than the usual attention of the director of competition policies with regard to certain sectors of the economy or will it be, as implied by the Minister of Agriculture, something new, extensive and total in line with the spirit I understand is intended for this green paper?

Mr. Abbott: Mr. Speaker, the director of combines and inquiries was perhaps highlighted by the fact that he did decide to make a study of the whole area of marketing boards and their effect on competition. Pursuant to this, he held a seminar which was within his authority. That seminar or inquiry was just one more aspect of his inquiry. I do not think it implies there will be a profound investigation in this area.

* * *

FISHERIES

PETITIONS REQUESTING GREATER PROTECTION FOR SEALERS

Mr. Deputy Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the eleventh, twelfth, thirteenth and fourteenth reports of the Clerk of Petitions stating that he has examined the petitions presented by the hon. member for St. John's East (Mr. McGrath), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), and the hon. member for St. John's West (Mr. Crosbie), and finds that they meet the requirements of the Standing Orders as to form.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 1,491, 1,701, 1,785, 2,227 and 2,342.

Order Paper Questions

[*Text*]

PETRO-CANADA

Question No. 1,491—**Mr. Malone:**

1. What was the total cost of operating Petro-Canada to November 30, 1976?

2. What is the projected total expenditure for the next 12 months?

3. How many exploratory wells for natural gas or crude oil had been drilled by Petro-Canada to November 30, 1976?

4. How many wells drilled have revealed a field with oil or natural gas development potential?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): 1. Please refer to Petro-Canada's Annual Report tabled in the House of Commons on April 5, 1977 pursuant to Section 75(3) of the Financial Administration Act.

2. The Capital Budget for 1977 of Petro-Canada was approved on December 23, 1976 by P.C. 1976-3275. The total expenditures so indicated were $271.6 million for capital items and $20.5 million for operating costs including interest expense.

3 and 4. The figures available for wells drilled are based on year end December 31, 1976. The attached table includes only wells drilled by Petro-Canada and does not include wells drilled by Panarctic Oils Ltd. in which Canada has approximately 45% interest.

Wells Drilled
(Gross Working Interest)

Exploratory			
	Oil	0	
	Gas	2	
	Dry	6	
	Sub-total		8
Appraisal/ Delineation			
	Oil	0	
	Gas	1	
	Dry	1	
	Sub-total		2
Development			
	Oil	7	
	Gas	33	
	Dry	3	
	Sub-total		43
	Total		53

AVERAGE FAMILY INCOME IN CORNWALL AND GUELPH

Question No. 1,701—**Mr. MacDonald (Egmont):**

1. Did Parks Canada officials hold any discussions with representatives from DREE concerning the move of the Ontario Regional Office from Cornwall to Guelph and, if so (a) what were they (b) on what dates?

2. What is the estimated (a) direct (b) indirect cost in (i) employment (ii) income to the Cornwall area resulting from the loss of the Parks Canada Regional Office?

[Mr. Dionne (Northumberland-Miramichi).]

3. What is the latest figure for average family income in (a) Cornwall (b) Guelph?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Indian Affairs and Northern Development and Statistics Canada as follows: 1. Yes. (a) A meeting was held with DREE officials at their Toronto Regional Office to discuss the results of DREE's analysis of their programme involvement in the Cornwall area and to discuss the proposed Parks Canada relocation. (b) January 21, 1977.

2. (a) (i) Employment—139 jobs; (ii) $2,150,000 annual payroll. (b) Approximate value of local goods and service purchase orders, $8,500 per year—office rental costs—$117,422.

3. According to the 1971 Census following are the figures for average family income in (a) Cornwall and (b) Guelph. Cornwall, $8,972; Guelph, $10,677. The source of this information is 1971 Census, Bulletin 2.2-12, Table 87.

1976/77 PROMOTIONAL PROJECTS

Question No. 1,785—**Mr. McKenzie:**

1. With regard to Project No. 76-685 of the European Division of the Office of Export Programs and Services (a) what were the names and addresses of the 122 Canadian firms that participated (b) how many orders were placed for Canadian winter clothing during the project (c) what was the total value of the orders?

2. Prior to Project No. 76-685 did any of these firms sell winter clothing in Europe?

3. With regard to Project No. 76-695 of the Pacific, Asia and Africa Division of the Office of Export Programs and Services (a) what were the names and addresses of the Canadian firms that participated (b) how many orders were placed (c) what type of goods were ordered (d) what was the total value of the orders?

4. Prior to Project No. 76-695 did any of these firms sell goods in Iran?

5. With regard to Project No. 76-694 of the Pacific, Asia and Africa Division of the Office of Export Programs and Services (a) what were the names and addresses of the Canadian firms that participated (b) how many orders were placed (c) what type of goods were ordered (d) what was the total value of the orders?

6. Prior to Project No. 76-694 did any of these firms sell goods in Iraq?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) Canadian firms did not participate directly in this in-store promotion. C & A Brenninkmeyer conducted the promotion as a commercial endeavour. According to this source, 122 Canadian companies were selected to supply merchandise. Identity of these companies is proprietary to C & A Brenninkmeyer. (b) Firm orders were placed with 93 of these companies. (c) Total value of these orders at this time is $5,118,064.

2. Yes.

3. (a) Participants are listed hereunder: Archidrome Steel Co. of Canada, 3100 Losch Boulevard, St. Hubert, P. Q. 678-4444 Bay Mills Ltd., 365 Evans Avenue, Toronto, Ontario, M8Z 1K2, (416) 252-5711. Bombardier Limited, Valcourt, Quebec, J0E 2L0, (514) 532-2211. CAIM International Airport Consultants of Montreal Ltd., No. 1 Complex Desjardins, P. O. Box 63, Montreal, Quebec, H5B 1B2, (514)

282-9571. C-D-N Research & Development Ltd., 1044 Rangeview Road, Mississauga, Ontario, L5E 1H3, (416) 278-3331. Canacor Ltd., P. O. Box 188, 29 Farnham, Mart F, Place Bonaventure, Montreal, Quebec, H5A 1G1, (514) 861-3400. Canficorp, Bélanger Ltd., 2440 Place Ville Marie, Montreal, Quebec, H3B 3M9, (514) 866-6125. Citation Cabinets Ltd., 270 Simpson Road, Richmond, B. C., (604) 273-4921. Controlled Systems (Windsor) Ltd., 938 Walker Road, Windsor, Ontario, N8Y 2N5, (519) 252-2781. Homexpo Canada Ltd., 999 West Hastings Street, Vancouver, B. C., V6C 1C7, (604) 684-3171. Imax Entertainment Limited, P. O. Box 224, Cambridge, Ontario, N1R 5T8, (519) 623-3740. Irwin Toy Ltd., 43 Hanna Avenue, Toronto, Ontario, M6K 1X6, (416) 533-3521. Phillips Cables Limited, 550 King Street West, Brockville, Ontario, K6V 5W4, (613) 345-5666. Precision Homes Corp. Inc., 195 Bethridge Road, Rexdale, Ontario, M9W 1N4, (416) 743-5510. Rousseau Metal Inc., 105 Ouest Avenue Gaspé, C. P. 490, Saint-Jean Port-Joli, Quebec, G0R 3G0, (418) 598-3381. Suburban Metal Ind. Ltd., 120 Commander Boulevard, Agincourt, Ontario, M1S 3H7, (416) 291-7168. Singer Valve, P. O. Box 69, 12850—87th Avenue, Surrey, B. C., V3T 4W4, (604) 594-5404. SMI Industries Ltd., 2055 Bennett Avenue, Montreal, Quebec, H1V 2T3, (514) 255-2883. Spilsbury & Tindall Ltd., 120 East Cordova Street, Vancouver, B. C., V6A 1L1, (604) 684-4131. Treco Inc., St. Romuald, Cté. Lévis, Quebec, (418) 839-8861. Unitron Industries Limited, 685 Wabanaki Drive, Kitchener, Ontario, N2C 2G3, (519) 578-5500. G. H. Wood & Company Limited, Queen Elizabeth Way, P. O. Box 34, Toronto, Ontario, (416) 259-2321. (b) Sixteen on-site orders were reported. (c) Type of goods ordered were: electrical appliances, automotive equipment, wire and cable, children's toys, electronic test equipment, textiles, finished steel products, valves and fittings, transportation equipment, hearing aids, sanitation and hygiene products, pre-fabricated homes. (d) Total value of orders reported was $641,000.

4. Only one company is known to have had sales previous to Project No. 76-695.

5. (a) Participants are listed hereunder: Atco (Eastern) Ltd., 555 Dollard Avenue, Ville Salle, Quebec H8N 1S4, (514) 363-4430. Bay Mills Limited, 365 Evans Avenue, Toronto, Ontario, M8Z 1K2, (416) 252-5711. Cansult Limited, 275 Duncan Mill Road, Don Mills, Ontario, M3B 3H9, (416) 445-9431. Coldstream Products of Canada Ltd., 1855 Sargent Avenue, Winnipeg, Manitoba, R3H 0E3, (204) 775-8274. Crown Steel Products Ltd., 8025 Dixie Road, Bramalea, Ontario, L6T 3V1, (416) 457-9330. Cuisinox Ltd., 7947 6th Avenue, Rivière des Prairies, P. Q., H IE 1R8, (514) 648-8383. E. G. W. Ltd., 933 Simard Street, Chambly, Quebec, (514) 658-6671. Estan Construction Ltd., 2085 de Salaberry, Montreal, Quebec, H3M 1K6, (514) 336-3450. Holland Hitch of Canada Limited, 595 Athlone Avenue, Woodstock, Ontario, N4S 7V8, (519) 537-3494. Imax Entertainment Ltd., P. O. Box 224, Cambridge, Ontario, N1R 5T8, (416) 884-4363 or (519) 623-3740. Ingersoll Machine & Tool Co. Ltd., P. O. Box 250, 347 King Street West. Interimco Ltd., 100 Bronson, Suite 1206, Ottawa, Ontario, K1R 6G8, (613) 238-1561. McKee Bros. Ltd., P. O. Box 70, Industrial Drive, Elmira, Ontario, (519) 669-5115. Ontario Bean Producers Marketing Board, 1112 Dearness Drive, London, Ontario, N6E 1N9 (519) 681-1720. Sharif International Trading of Canada Ltd., P. O. Box 7, Hickson, Ontario, NOJ 1L0, (519) 462-2752. Tridon Limited, 201 N. Service Road E., Burlington, Ontario, L7R 4A2, (416) 632-8900. Trudeau, Gascon & Lalancette, 2220 Place du Canada, Montreal, Quebec, H3B 2N2, (514) 861-9431. White Farm Equipment of Canada, 148 Mohawk Street, Brantford, Ontario, (312) 887-0110. (b) No on-site orders were reported. (c) Not applicable. (d) Not applicable.

6. None of the participating firms had sold goods in Iraq prior to Project No. 76-694.

MUNICIPAL INCENTIVE GRANTS

Question No. 2,227—**Mr. Herbert:**

Since the inception of the programme, by province, how many $1000 grants have been paid to municipalities for units of modestly priced, medium density housing?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows:

Table 1

Municipal Incentive Grants, NHA Section 56.2
by Province, 1976—February 1977

Province	Applications Received Number[1]	Approved Number[1]	Approved $000
Newfoundland	227	167	167
Prince Edward Island	—	—	—
Nova Scotia	301	97	97
New Brunswick	813	789	789
Quebec	1,400	1,132	1,132
Ontario	2,623	2,353	2,353
Manitoba	154	142	142
Saskatchewan	276	171	171
Alberta	201	195	195
British Columbia	1,373	1,010	1,010
Canada	7,368	6,056	6,056

[1] Housing Units.

UNIVERSITIES IN RECEIPT OF GRANTS THROUGH PHYSICAL RESOURCES DEVELOPMENT PROGRAMME

Question No. 2,342—**Mr. Marshall:**

1. By province, what are the names of the universities who have received contributions or grants for the upgrading of sports facilities through the Physical Resources Development Programme of Fitness and Amateur Sport and, in each case, what was the amount?

2. Have all universities in Canada been made aware of the programme and, if so, by what means?

3. (a) How many universities applied for such grants (b) were any turned down and, if so, for what reason?

4. Has the Memorial University of Newfoundland applied for such a grant?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sports)): 1. Nova Scotia, Dalhousie University, $200,000; St. Francis Xavier University, 11,170; New Brunswick, Moncton University, 100,000; University of New Brunswick 75,000; Quebec, Université de Sherbrooke, 400,000; Ontario, University of Toronto, 250,000; Manitoba, University of Manitoba, 250,000; British Columbia, University of British Columbia, 435,000; Simon Fraser University, 65,000; University of Victoria, 47,700.

2. See answer to Parliamentary Enquiry No. 1,559 tabled on March 17, 1977.

3. (a) 21; (b) 9 applications were turned down because they did not adequately relate to the terms and conditions of the Physical Resources Development Program. A final decision has not been completed on two (2) applications.

4. No application was received. (See also answer to Parliamentary Enquiry No. 1,559 tabled on March 17, 1977.)

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, if question No. 1,359 could be made an order for return, this return would be tabled immediately.

I ask that the remaining questions be allowed to stand.

Some hon. Members: Agreed.

[*Text*]

LAWYERS EMPLOYED BY FEDERAL GOVERNMENT IN NEWFOUNDLAND

Question No. 1,359—**Mr. Crosbie:**

From January 1, 1975 to date, what lawyers in the Province of Newfoundland were employed by (a) the Department of Justice (b) any other department, agency or Crown corporation of the government and how much was paid to each such lawyer?

Return tabled.

● (1450)

GOVERNMENT ORDERS

[*Translation*]

DIPLOMATIC AND CONSULAR PRIVILEGES AND IMMUNITIES ACT

MEASURE TO ESTABLISH IMMUNITIES AND PRIVILEGES

House in committee on Bill C-6, respecting diplomatic and consular privileges and immunities in Canada—Mr. Jamieson—Mr. Laniel in the chair.

[Mr. Marshall.]

Clauses 2 to 6 inclusive agreed to.

Schedules 1 and 2 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Hon. Otto E. Lang (for the Secretary of State for External Affairs) moved that the bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Hon. Allan J. MacEachen (for the Secretary of State for External Affairs) moved that the bill be read the third time and do pass.

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

* * *

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING PREMIUMS, SHARE CAPITAL, ETC.

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-3, to amend the Canada Deposit Insurance Corporation Act, be read the third time and do pass.

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

* * *

MOTOR VEHICLE SAFETY ACT

AMENDMENTS AND DEFINITIONS

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-36, an act to amend the Motor Vehicle Safety Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, I wish to make a few brief remarks concerning this measure. The motor vehicle safety law emerged as a result of co-operative action between the provinces and the federal government in an attempt to come to grips with the need to improve the standard of motor vehicles in terms of general safety. This co-operation has been shown in the preparation of the legislation and, as well, in the general enforcement of its provisions. We sought to improve safety standards by imposing a variety of requirements on manufacturers and others. Close liaison between the governments continues as we work together in this important field. We hold regular meetings in connection with vehicle safety and we have set a number of targets in an attempt to lower the rate of vehicle accidents and deaths. I am delighted that these measures seem to be having the desired effect.

The safety standards take into account a variety of features including specifications for crash avoidance and crashworthi-

ness as well as environmental protection. Examples of crash avoidance standards are those related to steering, braking and vision. Crashworthiness standards are related to interior padding, bumpers, side-door strength, roof-crashing resistance and, of course, seat belts and their availability. The placement of seat belts throughout automobiles and similar vehicles has, I am sure, contributed to the diminution of injuries and deaths in accidents.

Since the proclamation of the act on January 1, 1971, the number of motor vehicles registered in Canada has grown from 8.5 million to 12.5 million, an increase of almost 50 per cent, which means that traffic density has greatly increased on our roads. Notwithstanding this, I am pleased to say that over the same period of time the number of deaths per 100 million vehicle miles has fallen from 6.7 to an estimated 4.7, a decrease of 30 per cent. I believe that activity under the act accounts for a significant portion of this welcome improvement. I have in mind steps such as the following: 76 new safety regulations and amendments were issued and implemented; 3.7 million vehicles were recalled to correct safety-related deficiencies; 4,545 public complaints on possible safety-related defects were investigated and resolved; 3,500 audit inspections of manufacturers and imports were performed; and 9,800 tests of vehicles and their components were carried out to determine whether federal safety standards had been complied with.

● (1500)

In the amending bill we propose to make improvements and provide clarification to make the legislation even more effective. I refer to matters which have become apparent during the six years of the administration of the act. The specific objectives of the present bill are to remove doubts as to whom the act addresses, to require the retention of records, to make the notice of defect requirements more effective, to provide exemptions from some requirements in order to permit technological development without inhibition, and to make the penalty for violating the notice of defect requirements consistent with other penalties under the act and in similar federal statutes.

I can assure hon. members that the co-operative attitude existing between the provinces and the federal government will continue. I think many members will welcome the improvement in relation to seat belts and their general use. While there will be differences of opinion about whether mandatory legislation in this field is the desired route to take—and the provinces have gone both ways in this regard—there is unanimous agreement about the desire for education and encouragement, and our recent campaigns, advertising and encouragement of the use of seat belts, have had their part to play, I think.

I therefore commend the bill at second reading to the House, and I believe there is general agreement that the bill be referred to the committee of the whole so that we may complete that stage in this House at this time as well.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to thank the minister most heartily for his remarks and let him know that what he has already said is correct, that the bill has the general approval of those of us on this side of the House. Before we pass it at this stage I should like to make some fairly important comments, in my view, on the main principles and thrusts of the original legislation and this amending bill as it passes through the House of Commons.

On September 13, 1899, a certain H. H. Bliss, a real estate agent broker in Central Park West, New York City, stepped down from what was then called a horse drawn tramway. He was struck down and killed by what was referred to in the New York *Times* the next day as a "horseless carriage". As far as we know, Mr. Speaker, his was the first recorded automobile death in North American history.

Since 1899 there have been more victims killed on the roads of North America in or by motor vehicles than there were in all the wars in history. It is a world-wide epidemic. Dr. Wilder Penfield and his successors at the Montreal Neurological Institute called the epidemic of highway motor vehicle deaths and injuries "an uncontrolled world-wide epidemic." We are talking about the number one killer of our young people under 35. After cancer and heart disease we are talking about the number three killer in the entire population.

Suffice it to say that at one time or another we all attempt to place blame for motor vehicle deaths or injuries sometimes on the driver, sometimes on the road, and sometimes on the vehicle. That is an easy thing to do. We are not so much interested in blame as we are in taking what most people term today the epidemiological approach to this world-wide, uncontrolled epidemic, treating the road and surroundings as the atmosphere in the epidemic, the driver as the agent, and the car as the microbe.

In terms of this world-wide epidemic we are dealing today more particularly with the automobile, and I would commend the minister for a very progressive step forward. When man took to the air there was no question whatever that aircraft were manufactured, altered, and inspected under the strictest rules of law at all levels. The same is true of rolling stock on railways. From the very beginning all over the world you could not build, alter or touch a piece of rolling stock on a railway without the highest degree of regulation in terms of building, inspection, and alteration.

Somehow or other—and there is no use analysing it too profoundly today—the automobile per se, at least until very recent history, in terms of its manufacture, alteration, and inspection has been outside the rule of law and public regulation. As I say, I want to move away from the notion of who is to blame, whether a disinterested public, an inactive governmental authority or an irresponsible industry. I have been talking about that for years. Today I think we are going to make progress by co-operation.

In these days of contemporary consumerism we realize that we have the right to expect from government and the automobile industry production of the safest and best possible motor vehicles that science and technology and industry can produce. It is all very well to say that the consumer should know. To a great extent, with a high degree of public information the

consumer should be made to know. But in the very technical area of the manufacture of motor vehicles it is incumbent on government and industry to produce the best and the safest motor vehicles possible in terms of safety and consumer protection, in view of the world-wide epidemic to which I have just referred.

Another footnote might be this, Mr. Speaker, that it is the only world-wide epidemic we know of today which is compounding at, say, a 5 per cent annual increase in many places, though not necessarily in Canada.

Before terminating my remarks I want to refer specifically to some of the aspects of this amending bill. I am very interested in safety features and the motor vehicles safety branch. The government has largely done a good job of making sure that safety features on motor vehicles are mandated, but I hope that in co-operation with the provinces and the government the motor vehicle industry will stop talking about safety features and start talking about performance standards, because what we are often doing is adding after the fact safety features to intrinsically unsafe motor vehicles.

While we are making progress with safety features, I repeat that we are adding these safety features in many instances to motor vehicles, be they trucks, cars or whatever, which already by design and by marketing and advertising concepts are unsafe. In future I hope we will talk about more than simply adding safety features to intrinsically unsafe motor vehicles. Rather, we should be talking about the government mandating, at the design stage, performance standards for our motor vehicles.

I want to add my full support to the concept of air bags. I regret to say that while I think many of the shoulder harnesses and restraints that we have already are very good, a great improvement over what we had ten years ago, they can be improved. For example, the moment the occupant of a vehicle locks the doors of the vehicle and secures his seat belt, in terms of percentages the risk of death on the highway is reduced by about 40 per cent. We know that 65 per cent of the deaths on highways are produced at collision speeds under 45 miles an hour, believe it or not, when an occupant is thrown out of a vehicle. Thus the restraint systems are very important.

● (1510)

I have heard the industry's rebuttal to the air bag system, that it is imperfect and at times it may function when you do not want it to function. There is also the problem, vis-à-vis the air bags, of damage being caused to the ears if it goes off when it should not. From the research I have made with my assistants, and those who have been so kind as to help me in those areas, no matter what is happening in the United States the minister should come forth and support air bags in motor vehicles. It is the most advantageous restraint system we know of at the present time. As I say, in the whole area of building safer cars, we should insist on performance standards as opposed to adding safety features to intrinsically unsafe motor vehicles.

There are specific amendments in the bill relating to the whole notion of recalls. We on this side are concerned about that, and the minister is as well. In the United States when any one of the automobile industries announces a recall, they make sure by surveying industry procedures that the recall is not only made but is effectively made in terms of the regulations which require the filing of registered letters at the central commission in Washington by industry and others. We are not quite up to that mark in Canada, but I would like the minister, when we go through the committee stage, to assure us that the recall amendments mean effective recall in terms of Canadian performance.

In conjunction with the Minister of Consumer and Corporate Affairs (Mr. Abbott) I should like to see, under the Motor Vehicle Safety Act, a more regular public reporting system whereby there will be requirements under the regulations for the motor vehicle safety branch to make public its findings, even though they are not totally completed, at certain given intervals. Thus the public, the government, and industry in some instances, will know exactly where we are going in terms of safety features and standards in automobiles.

In our committee members on this side of the House have discussed this. I am not suggesting that part of one empire should go to another without great consideration, but because of the very specific work the motor vehicle safety branch is doing, I am wondering whether this specific branch and its group of dedicated and available people should not be under the aegis of the Minister of Consumer and Corporate Affairs. I know it is a transport matter, but as I see that section of the minister's department developing and doing its good work, it would be more effective if the motor vehicle safety branch reported directly, as things are now, to the Minister of Consumer and Corporate Affairs. I realize it was difficult to visualize that two or three years ago, but I feel it should be considered.

In terms of the world-wide epidemic of motor vehicle and highway deaths and injuries, everyone has a pet theory. We have heard them in conversations, but we really do not know. We have heard reference to drunken driving and this sort of thing. If we were to take an epidemiological approach, most accidents involve the road, the car, and the driver. Very often we do not know why people get into accidents, and once in an accident, what kills or injures them.

One of the basic things we need here in Ottawa, without building up a bureaucracy to touch upon the whole area of accident prevention, is a co-ordinated accident prevention research collecting bureau in order to get much more co-ordinated data before we move into the area of accident prevention. I am referring to data in terms of why people get into accidents and what are the causes of injuries and deaths once in them. We know today we are talking about standards and many features in automobiles which will help prevent people getting into motor vehicle accidents in the first place. It is all very well to say people were silly to get in them, but they do get in them. We should look into reducing the possibility of death, injury and/or serious injury. Perhaps the minister

would agree that this is a step forward vis-à-vis a very serious problem. We hope this is just a small step forward and that we can expect bigger and better things in relation to a very important problem in the months and years ahead.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have known occasions, believe it or not, when this House has spent a great deal of time on something not really very important. This afternoon I think we are doing the reverse of that. We are in a mood to pass, within a reasonably short period of time, a measure which is quite important.

Although the motion, as it was read from the Chair, called for the reference of this bill after second reading to the appropriate standing committee, when that time comes, Mr. Speaker, you will find that there is consent on all sides of the House to refer it to the committee of the whole so that we can put the bill through all of its stages today.

The hon. member for Brome-Missisquoi (Mr. Grafftey) has pointed out in his speech today, and on many other occasions, that one of the very serious problems facing the human race is coping with accidents which take place on the highways. It strikes me that the short debate we are having this afternoon is, in a sense, a sequel to a very important debate we had a week ago today on a motion introduced in private members' hour by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). There were a number of speeches, which I think were very important and constructive, on that occasion. I should like to mention in particular the speech of the hon. member for Lincoln (Mr. Andres) who gave us the statistics which make action in the field of motor vehicle safety extremely important. We had also worth while contributions by the hon. member for Bruce-Grey (Mr. Douglas), the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) and the hon. member for Halton (Mr. Philbrook). What we are doing this afternoon is a case of acting, at least in part, on the pleas made last Friday afternoon.

The hon. member for Brome-Missisquoi has emphasized that there are three elements with respect to motor vehicle travel—there is the motor vehicle itself, the highway, and the driver. What we are concerned with this afternoon is of course the motor vehicle. We are glad that the minister is able to report that the co-operation among the various levels of government in this country is good. We understand from that that the provincial governments are prepared to accept the amendments which are being made this afternoon in the bill which is before us.

• (1520)

We welcome the extent to which the standards are being raised and the enforcement procedures being tightened, and I join the hon. member for Brome-Missisquoi in expressing the hope that the recall provision and other measures contained in this legislation will really be implemented.

So, as I have already said, this is one of those cases where we are dealing with something that is extremely important, but we do not have to spin it out to emphasize that fact, and we are glad to give our support to this bill.

I have just one other word which I should like to offer, and again it is a case of recalling the excellent debate that we had a week ago today on the motion of the hon. member for Hamilton-Wentworth during which the statement was made on several occasions that alcohol and gasoline do not mix. I hope that the Minister of Transport (Mr. Lang) will give his support to the campaign which the Minister of National health and Welfare (Mr. Lalonde) is waging in that respect.

It is an important measure that we have before us this afternoon. We are prepared to give it second reading, to put it through committee of the whole, and to give it third reading before four o'clock.

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question?

Mr. Lang: I rise on a point of order, Mr. Speaker. I seek unanimous consent of the House to amend the motion to change the reference to the committee of the whole.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): The motion put by the Minister of Transport (Mr. Lang) is that the bill be referred to committee of the whole. Is that agreed?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

On Clause 1.

Mr. Towers: Mr. Chairman, I did not take part in the second reading debate on this bill because I understood it was going into committee of the whole and at that time I would have the opportunity to make some remarks on behalf of my colleagues, the hon. member for Pembina and the hon. member for Vegreville, the latter having had discussions with the minister regarding this bill.

We are in general agreement with what the government is proposing in this legislation. Nevertheless there are one or two sleepers there on which we would like to have some answers, and I understand the hon. member for Vegreville, who is not able to be here at this time, has discussed them with the Minister of Transport.

It is my understanding that the minister would be prepared to accept an amendment to Clause 1(2) to exclude farm tractors from this legislation. Some of us who are closely related to agriculture are concerned about this clause as it relates to farm tractors and the inclusion of the definition of manufacturing as it relates to farm tractors. It is my understanding, as well as that of my colleagues, that if a farmer renovates a machine in any way, he can be considered, under this piece of legislation, as a manufacturer. In other words, if you have a tractor and you put a cab on it or change the cab or do something along that line, then according to the definition

in this bill you are considered a manufacturer and considered liable in case of any accident.

Therefore, so that we do not have to come back to this piece of legislation some time in the future to request the exemption of farm tractors, I suggest that we should amend it now, and I would ask the minister whether there is any requirement for the inclusion of farm tractors. Also, can the minister tell us whether there is any incompatibility in the definitions of federal and provincial jurisdictions.

Another point that I should like to make is that it is difficult to differentiate between farm tractors and other motorized farm vehicles such as swathers, combines, bale wagons, power balers, and so on. We should take a really serious look at this.

If the minister has had a discussion with the hon. member for Vegreville in this regard and is prepared to accept this amendment, perhaps I should not prolong the debate any further but move the following amendment:

That Clause 1 be amended by striking out lines 21 and 22 at page 1 thereof, and substituting therefor the following:

"motorized snow vehicles, but does not include any vehicle"

All the amendment does is to omit farm tractors from this legislation.

Mr. Lang: Mr. Chairman, I am pleased to concur with the amendment of the hon. member for Red Deer which has the effect of removing farm tractors from the bill. They had been included with the general thought of imposing obligations on the manufacturer which can only benefit the farmers and farm community. However, the hon. member for Vegreville raised the question of whether the word "manufacturer" was accurately or sufficiently defined to exclude the dealer who happens to put a cab upon a tractor. I think it could be argued that that is not in fact a manufacturer, even within this definition, but rather than leave that point in doubt, and with the knowledge that we might want to come back to deal further with combines and other motorized machinery which goes on the road, it seems to me quite satisfactory to accept this amendment at this point and therefore to eliminate farm tractors and to proceed with the bill.

● (1530)

Mr. Grafftey: Mr. Chairman, no one would indicate that there is any division whatsoever on this side in terms of the amendment to the amendment which would now exempt in the definition—

Mr. Knowles (Winnipeg North Centre): It is not the minister's amendment.

Mr. Grafftey: I said the amendment to the amendment. I would just like to put a proviso. I feel obliged to bring before the House very briefly the fact that while we are excluding farm tractors from the definition—and I assume we would not to be able to mandate standards—I hope farm tractor manufacturers will be cognizant of the importance of roll bars on tractors.

[Mr. Towers.]

Far too many farmers, under fatigued conditions or whatever, roll their tractors and are killed, and I hope that while we are not including farm tractors in the definition, in the future the industry will, wherever possible, voluntarily include as standard equipment roll bars to prevent what is a very serious thing on far too many farms, rolling tractors which kill drivers.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I too should like to indicate my unhappiness with the amendment, namely, the elimination of farm tractors from the definition of a motor vehicle. However, if that is necessary in order to get the legislation through, I am not going to stand in its way, but I am pleased that the Minister of Transport has suggested that possibly later on there can be other amendments covering all motorized farm equipment. As the hon. member for Brome-Missisquoi pointed out, what we are concerned about here is not how the operators of farm machinery behave; we are concerned about putting an onus on the manufacturer.

Amendment agreed to.

Clause 1, as amended, agreed to.

Clause 2 agreed to.

On Clause 3.

Mr. Grafftey: Mr. Chairman, I would like to ask the minister exactly what changes this particular amendment would make in terms of government involvement in recall procedures. Would the minister briefly inform the House to what extent the motor vehicle safety branch of his department is involved in recalls? Very often we read in the newspapers that half a million cars which have a certain defect are being recalled. What actions does the department take to make sure that these recalls are not only made but also that the defects or potential defects are rectified at the distributor level?

Mr. Lang: Mr. Chairman, the amendment would require that notice come to the department as well as to all of the people who may have a particular model of vehicle, and in that sense it is a clarification which will assure that the notice reaches out. This will allow the department to deal with the issue of whether the matter is being properly handled and rectified, and I think that should allow for a better administration of the legislation.

Mr. Lambert (Edmonton West): Mr. Chairman, in keeping with some concerns I have had with regard to other legislation put forward by various departments—particularly put forward by the Department of Consumer and Corporate Affairs—I am ever conscious that in imposing controls on products there is a tendency for almost massive over-kill. In other words, it is one thing to produce a commodity and another to use it properly. There is another matter of producing a commodity and saying that it must be absolutely safe. Rule upon rule is piled up, and control upon control is piled up.

While these rules may be aimed at the absolute in safety, they should, in my view, also be aimed at those who do not make proper use of products. After all, there is no such thing

as introducing a feature into a vehicle without cost, and the more we have tinkered with requirements, the more costly it has been.

Some brainstorms have hit some legislatures in North America with regard to so-called safety standards, and legislation has been passed. Perhaps everybody was out golfing and there were only a handful of interested people around, much like this afternoon, who pushed something through in the urgency of their consideration. The net result is that when they wake up on Monday morning they realize what they have done, and the whole thing is impractical. It must be remembered that all of those so-called safety standards do cost, and who pays for them? The consumer. When designing regulations there is a tendency on the part of bureaucrats to think that those regulations are for the benefit of the public. Certainly they are for the benefit of the public, but not for the benefit of the public's purse.

Bill C-16, Bill C-42, and other proposals not only from this year but from prior years have all resulted in massive cost increases which are borne by the public, and we are not sure those measures actually meet the safety needs because there are so many accidents which result from the misuse and abuse of vehicles. There is no such thing as making a vehicle safe for the fool, and not only for the fool but also for the person who deliberately misuses machines and equipment. I think reasonableness has to be introduced into all of these standards. I am not saying these things with particular respect to what the minister proposes here.

In considering the guidelines we want to impose with regard to motor vehicle safety I would be one of the first to say that manufacturers must be careful. However, as careful as they might be, there will be many recalls for the purpose of replacing certain equipment. Perhaps we should err on the side of safety, but there have been accidents which were caused by lack of caution, by mental fatigue or mental failure. It is only by the continued misuse of certain equipment that there may be breakdowns. Bearing that in mind, I hope we are not going to impose standards which will cause totally unnecessary costs to the manufacturers of equipment, particularly automobiles, whether they be produced domestically or whether they come from abroad. Those are matters that we also have to consider because everyone has a bottom line figure for the cost of their living each year.

● (1540)

Mr. Smith (Churchill): Mr. Chairman, I should like to comment briefly on the standards set for snowmobiles. In the last ten years these machines have become the main means of transportation in northern Canada in a quite revolutionary manner.

We have seen many models come into the north and some do not meet our safety standards. This has led to numerous accidents. Some manufacturers may regard these as pleasure vehicles but that is not the case in the north were 75 per cent or 80 per cent are working vehicles. The vehicles used by hunters and trappers need not have standards as restrictive as those imposed on racing vehicles, but there should be a reasonable standard. We do not have snow removal service for the roads in northern communities so nearly every family has a snowmobile. Dog teams are a thing of the past. An exceptionally high standard imposed on working snowmobiles would cause economic hardship for trappers and fishermen.

Mr. Lang: Mr. Chairman, I should like to assure hon. members that just as we have been having very good co-operation and consultation with the provinces, so we have with manufacturers. I agree that we need to know the cost of changes and additions. This is a general problem with regulations, and I am stressing it with the department and warning them to take it into consideration.

Mr. Grafftey: Mr. Chairman, I should like to rectify what I think is a public misconception based on industry misrepresentation. Motor vehicle research in the United States, corroborated by good research in Canada, has consistently shown that if we design safe vehicles and put the safest product on the road, costs would decline. We are told it is the marketing procedures and the expectations of north Americans that increase the costs of motor vehicles. I think this argument should be demolished very quickly.

I have heard the industry argue in front of United States subcommittees, where I too have argued, that people can be given a safe car if they will pay the price. I regret that my colleagues have fallen for that because I can prove that if safety were the priority item it could be provided in a less expensive vehicle than is on the market today. I caution my colleagues not to accept the industry argument that building safe design standards into automobiles can or should have a great effect on the price.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. Members: Agreed.

Clause 3 agreed to.

On Clause 4.

Mr. Towers: Mr. Chairman, on behalf of my colleague, the hon. member for Vegreville, who has been closely associated with the automotive industry, I would like to get clarification of Clause 4 from the minister as there seems to be an inconsistency in the legislation. Safety standards were to be prescribed by law and at the same time steps were being taken to allow some vehicles to be exempted. Proposed section 9.1 reads as follows:

"(1) On application by a manufacturer or importer of motor vehicles of a class for which safety standards have been prescribed under section 4 or 7, the Governor in Council may by order exempt any particular model of motor vehicle from compliance with any prescribed safety standards applicable to that model of motor vehicle where compliance with such safety standards would, in the opinion of the Governor in Council,

(*a*) create substantial financial hardship for the manufacturer or importer applying for the exemption;

(*b*) prevent the development of new safety features that are equivalent to or superior to prescribed safety standards;

Then I go to proposed section 9.1(4) which reads as follows:

(4) Where a manufacturer or importer applies for an exemption under paragraph (1)(*a*), an exemption shall not be granted if

(*a*) the world production of motor vehicles by the manufacturer exceeds ten thousand motor vehicles per year; or

(*b*) the total number of motor vehicles manufactured for or imported into the Canadian market by the manufacturer or importer exceeds one thousand motor vehicles per year.

The hon. member for Vegreville was concerned about this discrepancy and perhaps the minister could help us with this.

Mr. Lang: The problem is that in certain cases it may be desirable to allow vehicles into Canada without meeting all the standards in order that various tests and experiments can take place. This is certainly not intended as a wide application but rather to deal with special cases.

Mr. Grafftey: Mr. Chairman, I may have some misconceptions concerning Clause 4 and I am sure the minister can clear them up. I have often been concerned about the problem of imports, especially of small cars. It seems impossible for any of them even to begin measuring up to our safety and performance standards. I have some very strong personal notions about this. We know for example that a person in a small car that gets hit by a large car is more apt to be injured or killed.

What kind of discretion does the minister intend be given here? I hope there will not be blanket permission to import motor vehicles that, because of design features, cannot meet the standards of north American vehicles. First, I have always said that the size and design of North American motor vehicles suits our roads. Second, I am concerned in case we should harm the North American industry. I want to see adequate safety standards maintained on our highways. What kind of discretion would this clause give the minister? I am thinking of discretion relating to the importation of foreign manufactured motor vehicles which do not meet the performance and safety standards of domestically produced motor vehicles.

● (1550)

Mr. Lang: Mr. Chairman, the clause is drafted in such a way as to show the narrow spirit in which it is to be interpreted. The minister and the department were concerned about the exemption, since without adequate limitations there might be an undue number of requests coming forward under the section. I suggest that the limitation in terms of the time period, the need for assurance that good faith has been shown in attempts to meet standards where they may not have been applicable, and the fact that proposed subsection (5) imposes a limit with respect to 1,000 units of a particular model, means that this clause cannot be used successfully for the ordinary introduction of a commercial vehicle in the ordinary way.

Mr. Grafftey: Mr. Chairman, I understand, therefore, that the minister does not visualize any discretionary powers under this clause which would allow the wholesale importation to Canada of cars which do not meet the performance and safety standards of domestically manufactured vehicles.

[Mr. Towers.]

Mr. Lang: That is correct, Mr. Chairman. The clause really has to do with the exceptional case.

Mr. Daudlin: Mr. Chairman, may I ask the minister this question—it is somewhat similar to the question raised by the hon. member for Brome-Missisquoi. Will this provision allow for the importation of non-North American manufactured cars incorporating safety devices different from those found on domestic vehicles? For example, some foreign units are easily crushed, whereas domestic cars are equipped with bumpers designed to withstand impacts at speeds up to five miles per hour. Will this provision allow foreign companies which have incorporated, shall we say, novel safety features in their design to demonstrate their vehicles in the Canadian market? I ask this since the safety concepts of foreign manufacturers are as valid as those of North American manufacturers. Will those vehicles be allowed entry to this country?

Mr. Lang: Mr. Chairman, perhaps such vehicles could be brought in for testing and demonstration under Canadian conditions, but the clause is not intended to allow other types of safety standards. If we are persuaded other types of safety features are adequate, the regulations applying to Canadian, North American and foreign imports will need to be broadened to allow for that alternative safety feature. I think that would be the orderly approach.

The Assistant Deputy Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Clause 4 agreed to.

Clauses 5 and 6 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

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

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

Mr. Lang: Mr. Speaker, I rise on a point of order. I think there is a general disposition to call it four o'clock.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Order, please. It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I think there is general agreement on all sides to proceed with Bill C-239 this afternoon.

The Acting Speaker (Mr. Ethier): Is it agreed to proceed with Bill No. C-239 and that all preceding bills shall stand at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

* * *

CANADA LABOUR CODE

AMENDMENT RESPECTING UNION MEMBERSHIP AND DUES

Mr. Frank Oberle (Prince George-Peace River) moved that Bill C-239, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, may I read into the record the main portions of the bill I should like to see referred to committee. The language of the bill is as follows:

1. The *Canada Labour Code* is amended by adding the following immediately after section 186:

186.1 (1) Notwithstanding anything contained in this act, no provision in a collective agreement requiring an employer

(*a*) to discharge an employee because such employee refuses to become a member of, or to undertake to become a member of a specified trade union, or

(*b*) to discharge an employee because such employee is or continues to be a member of, or engages in activities on behalf of a union other than a specified trade union,

is valid.

(2) No provision in a collective agreement requiring an employer to make a deduction or deductions from the remuneration paid to an employee to be credited to a specified trade union, is valid unless such deduction or deductions are authorized by the employee.

This bill could have far-reaching implications for our traditional industrial relations and entire social order. Much is written and said these days about the difficulties encountered in our country's industrial relations process. Therefore I shall quote two paragraphs of an article Mr. Paul Johnson wrote in the *New Statesman*. He wrote:

The compulsory enforcement of the closed shop by parliamentary statute is the greatest disaster which has befallen liberty in my lifetime . . .

In his article he also referred to the decision of the mother of parliaments, the Parliament of the United Kingdom, compelling every worker in that country to belong to a trade union. He went on to say that what the Government of the United Kingdom did "is very likely illegal under the European Rights Convention, of which Britain is a signatory."

I suggest that union closed shops and certain other provisions we have included both in federal and provincial labour

codes contravene the Canadian Bill of Rights because they offend against one of democracy's cardinal principles, the right to freedom of association. In my considered opinion we need to restructure our present system to make it work better so that all sectors of our economic community can work more closely together.

Recently there has been talk of certain tripartite negotiations which, in my opinion, would be a step in the right direction. There are two sides to the bargaining table, each side has to yield equally. The difficulties our nation has experienced owing to labour strikes are well known and need not be expanded on, for they are irrefutable fact. What alarms me more is what may happen in the future.

● (1600)

I am proposing this legislation that is Bill C-239 in an attempt to bring co-operation and harmony into the industrial labour relations process. Labour unrest is often the result of failure of our economic policy to satisfy labour, management, and government.

The present collective bargaining process is too often based on confrontation. As we were told in the last week by the Postmaster General (Mr. Blais), the postal union even has an adversary clause in their contract. The minister is engaged in his annual battle with that particular union, trying to arrive at an agreement which will fit into the context of our contemporary law and rules.

The union card is becoming more important than the parliamentary vote in the sense that it confers a greater amount of political power. This is a very dangerous development. We are moving away from a society based on the freely signed contract in which one man pledges to work for another and the other man pledges to provide him with work. We are moving to a more restricted society where a man can no longer freely sell his labour.

The principles which outline the union organization are hardly democratic. The concepts of compulsory membership, compulsory union dues, and closed shop unions are essentially a denial of individual rights and freedoms of every citizen. Union bureaucrats enjoy an enormous amount of power over the rank and file members of their organizations.

The closed shop union is a most powerful weapon. It effectively deprives the organized worker of his individual options, in other words, his fundamental rights. Unions seem reluctant to consider themselves part of the economy. More impetus is directed toward profits through wages. Little is gained in terms of co-operation and development of sensible policy goals.

The unions argue that they need this power for which they have worked hard and to which they were entitled at one time to maintain their democratic posture and rights. They need this power to achieve their collective goals. I am more concerned about the goals and the rights of the individual. If the government could make it compulsory for every citizen who achieves the benefits of what we do here in the House of Commons or what the government does to belong to the Liberal party, it would streamline the operation immensely. It

could be streamlined to the point that it is streamlined in other parts of the world where we have that kind of autocratic and demogogic system. Members opposite agree that everyone would benefit from the achievements the government thinks it is producing for our country. The union argues that everyone who shares in the benefits should contribute. Therefore, it would be a logical argument that everyone should join the Liberal party. Even my friends across the aisle would not agree with that ill-conceived logic.

If we examine the union movement in Great Britain we can observe the virtual destruction of an economy by self-centered unions. Rule by trade union bureaucrats, who necessarily think in terms of their members only, has crippled the economy of the United Kingdom, with disastrous effects for the ordinary citizen, the unorganized. Today in Canada the union movement involves about one third of the labour force, but demands, and receives two thirds of the gross national product which is labour's share. The concern of all of us in this House has to be for the other two thirds.

The other two thirds, who contribute most to our economy and the development of this country, work for companies that are not oligopolies or monopolies. They work for the small businessmen. That sector of our economy does not have the same power as the larger corporations which are trying to compete with the government in the power play in this country.

We are concerned that this kind of system should exist where two thirds of the economy, two thirds of the enterprise system, is not unionized; two thirds of business, and two thirds of labour. We are establishing a situation where we sit down with one third of the labour force, one third of the business community, and share with them the power given to us by all Canadians. This can only mean that the unorganized worker is left out in the cold, much like the small elite businessman who faces a giant corporation; only the scraps are left for the most vital elements of the economy.

The European community have managed to solve many of their labour problems by combining the union leaders and business directors together under a neutral chairman, on the board of directors. It is not a bargaining process but a joint decision-making process. The worker has an insight into internal operations, something which is almost totally absent in our system. This also ensures that unions do not take more out of the economy than the economy can reasonably provide. In these times of high inflation it is important that we instill a similar spirit of co-operation, not confrontation, into our own industrial process. The Minister of Labour (Mr. Munro) and the government know that.

I greeted with a certain degree of enthusiasm the announcement by the Minister of Labour that $10 million would be taken out of the taxpayer's purse to provide unions with the means of training their representatives to take part in this co-operative spirit. I wonder if an equal amount of money will be set aside for the small businessman. He too will have to play a more active role if we are to succeed in the objectives we have set for ourselves.

[Mr. Oberle.]

Workers in most unions in Canada are not only compelled to be members but also to support a political party. This is the crux of the whole system. The political party that is supported may not meet individual approval, but nonetheless it receives funds from the union for election campaigns. Of course it is no secret that the party which is supported by the unions is not the Liberal party, but the NDP. This is not only very dangerous but is extremely undemocratic. One of the cardinal principles of democracy is the freedom of association. In my opinion, unions deny that privilege. Looking again at the European labour model, it is illegal for unions to involve themselves in the political process in that way.

● (1610)

Instead of compulsory membership in any one union we must ensure that every Canadian worker has voluntary access to a union. That is the crux of the whole thing. Every Canadian worker needs to be unionized in some way, but he does not need to be compelled; he needs voluntary access. Right to work legislation in the United States has actually increased union membership. Every study I have made of the various states which have adopted legislation of this kind shows that union memberships have increased. It does not infringe upon the democratic process. Rather, it substantiates it. There is evidence to indicate that union members themselves support such measures and often feel that leaders of the unions do not express the true desire of the rank and file.

A high percentage of Vancouver area residents, for example, including over half of the trade union members interviewed in a survey carried out by Sterling Press, favoured the introduction of right to work legislation in British Columbia, a province where unions are firmly entrenched. Over 79 per cent of those expressing an opinion favoured this sort of legislation.

In another survey, carried out in Saskatchewan by the Public Relations and Communications Associates of Regina for the Employers Association of Saskatchewan, it was shown that almost 80 per cent of the union members polled felt too much power was concentrated in the hands of their labour leaders and of big unions in Canada.

What I would like to see established in Canada, Mr. Speaker, is a voluntary union structure whereby all Canadians would have potential access to union membership. Of those polled in Regina, 69 per cent felt that a man or woman should be able to hold a job whether or not they belonged to a union. This is only equitable. Our society has been built on a system of co-operation.

A former NDP labour minister in British Columbia, Mr. King, used to describe B.C. workers as little capitalists, determined to maximize their profits through wages. This is not an appropriate analogy because the capitalist does not maximize his profit at the risk of endangering the health and vigour of his enterprise. He uses profits to expand and modernize his facilities. Selfish union demands have led to high wages in British Columbia and have cost the province much of its edge in international trade. I may add it has had the same effect on trade within our country as well. Our labour costs now run

about 25 per cent higher, enabling neighbouring states within the United States to market the same resources, often to the same customers, at lower prices that we can offer. The resulting slump in the economic activity only adds to the umemployment and inflation rates recently registered in British Columbia.

Let us endeavour to develop a system based upon participation and co-operation. In 1975 only Italy had a higher percentage of man-hours lost due to strikes than did Canada-among industrial nations surveyed. If we do not stand to benefit from the current program then we are foolish to maintain it. I do not wish to destroy the bargaining power which unions possess. In all fairness, many of our labour leaders have exhibited a great deal of restraint and intelligence in recent years. Meetings between members on this side of the House and labour leaders have been held in recent years and they understand some of the problems which are facing us. They know there is a need to compromise and to restructure the system, but they have little faith in a government which is offering the kinds of negotiations which have so far been inherent in the industrial relations process.

The unorganized worker is simply not getting his fair share. Public confidence in collective bargaining as a method of reaching agreement on wages and benefits is sagging. Union leaders are not satisying half their members, and high wages are blamed for the economic woes we are experiencing. These factors indicate to me that the time is ripe to restructure the framework within which unions operate—not to restrict their activity but to expand it in a co-operative way.

Unions are not the only ones guilty of irresponsibility today. We all must shoulder a certain amount of the blame for our present problems, especially those members who sit on the opposite side of the House. I urge my colleagues to support the measure before us in the public and the national interest. We have seen the beneficial effects that right to work legislation has had in other parts of the world. We know that it is viable both in theory and in practice. It is time we awoke to the reality of our dilemma and developed new tools to improve our situation. That is our duty and our purpose for being here. I appeal to all hon. members to support this legislation, which would constitute a most important first step toward a more up-to-date, fluid, and cohesive industrial relations system.

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, the hon. member, in presenting the bill before us, presents a tidy package, one tied up with a presentable and attractive bow. But I think that when it is opened ,one finds a degree of cynicism which makes it rather unacceptable. The hon. member seems to start from a position which it would appear he would not want to be seen to support, that is, that the unions should not have rights with respect to security in terms of those areas where they now enjoy certification.

The hon. member says he does not want to see certain rights removed from the unions—their security—but he feels that by tying up his package in terms of right to work legislation he will be able to make the terms of Bill C-239 acceptable. I find I cannot take that candy pill. It seems to me that what we are dealing with here is perhaps, in some form, a misconception by the hon. member in terms of the current state of the law in Canada.

Looking at the Canada Labour Code, one reads under certain sections, such as section 161, that nothing prohibits parties to a collective agreement from including in the collective agreement a provision requiring, as a condition of employment, membership in a specified trade union, or granting a preference for employment to members of a specified trade union. This is permissive legislation, not mandatory legislation requiring that when certification takes place only a certain number from a union may work in a shop.

It is true there are situations where negotiations have taken place which have resulted in a closed shop. But surely that is as a result of negotiation, not as a result of any kind of mandatory decision by the government, management or the union. It would seem to me that labourers have the right, first of all, to join a union—the hon. member has admitted that. In addition, labourers enjoy the expanded right to negotiate with employers a situation in which they are the only source of labour. I see nothing wrong in that, provided it is not imposed. It seems to me all the legislation provides the format and the mechanism whereby, if that situation is being abused, decertification of a union could take place and control could once again be gained by the labourers.

More important is subsection (2) of the amendment proposed by the hon. member. I quote:

> No provision in a collective agreement requiring an employer to make a deduction or deductions from the remuneration paid to an employee to be credited to a specified trade union, is valid unless such deduction or deductions are authorized by the employee.

I am a product of a law school which had the honour to have as its first dean, Dean Rand, the noted Supreme Court Judge who, after retirement from the bench, went on to teach men and women such as myself what the law was all about. I had the pleasure to study law under the man who, as hon. members know, was the author of the Rand report which emanated from my part of Ontario, Windsor, during the Ford strike. He came up with what has since that time been known as the Rand formula, which has been heralded in all corners of the world as probably one of the most progressive pieces of judicial decision-making that has ever been made in the field of labour-management relations. I hearken back to that decision and note that, among other things, it has this to say:

● (1620)

> That we cannot draw back and try to reverse the whole progress of the last 100 years in labour-employer relations, that we must go through to a higher evolution of them must, I think, be accepted as axiomatic. On that assumption there are two fundamental views to be taken on the mode of bringing that progress about: either to leave it as the issue of economic war in all its ferocity and waste or as the gradual rationalization of an area where interests are both common and conflicting. That we must have some sort of law or convention regarding these relations is inescapable:—

It seems to me that that formula derived by Judge Rand, which brought the Ford strike to an end and allowed the principle of compulsory checkoff, reasoned that if an individual were to work in a plant which was not a closed shop and

were to sustain the benefits derived from a contract negotiated by a particular union, he should not get a free ride, as it were, but should be required to pay part of the costs of the union by having the union dues checked off and paid to the union notwithstanding he is not a member.

It seems to me that to adopt the second part of the hon. member's bill today would be to throw that principle out. It would say that we are prepared to allow an individual who works for a particular employer, in a place where there is a union, to accept and receive all the benefits negotiated by the union and, in essence, pay nothing for them. I think that would be both inequitable and unfair and would be a regressive step which would take us not just to the position we were in in the late 1940's, when Mr. Justice Rand reached his decision, but indeed beyond that and lead us more into the confrontation type of negotiation which we have now.

The hon. member for Prince George-Peace River (Mr. Oberle) has made a very important contribution, but his comment I am unable to hear. Perhaps when I have finished he can pose a question to me and I will answer it, but in the interim might I be permitted to continue.

It seems to me the hon. member makes good sense when he speaks of right to work legislation. I would not want to be one to deny anyone the right to work. At the same time I would not want to be labelled as having a great deal of cynicism for organized labour. I see behind this kind of legislation a tremendous amount of cynicism. I see, in effect, the attachment of blame almost exclusively—though the hon. member says he is not trying to do this—to the organized labour movement for the ills of our economic system today.

Mr. Oberle: That is not what I said.

Mr. Daudlin: I cannot buy that.

Mr. Oberle: That is what you are saying.

Mr. Daudlin: The hon. member says that is what I am saying, and he has been quite eloquent in saying that he did not say that. But if one goes beyond what he says he is saying to what he is trying to get us to adopt today, one finds that is exactly what he is saying, though he protests very much that it is not.

I think the principles laid down in the Rand decision are sound and should continue to be adopted and, indeed, be built upon. I think that is what we are talking about in terms of the 14 points which the labour minister brought forward regarding what he would like to see done by labour and management in this country. He, like the hon. member, is agreed that we want to get away from and have less of the confrontation type negotiations than we have had in the past. He, like the hon. member, wants to ensure that organized labour has a voice and is represented. But I suggest to the hon. member that it is open to unorganized labour to organize. It is open to them to form groups of their own and attach themselves to what are currently known and recognized as labour unions. If they choose not to, perhaps they may do so at their peril; but no one imposes on them an obligation to do so or not to do so. I see that also as a right that should be protected by members here.

I have become very concerned about where we are and what the labour unions have requested we do in order to achieve what we have been talking about. I believe one of my colleagues may be speaking about the Woods task force on labour relations of 1966. It seems to me that following that task force certain recommendations were made which were not adopted because they went too far to deny the rights of unions and members of unions to belong to labour organizations and to look for union security.

I have never been one to argue that we should have total security, that we should not have the possibility of decertification. But I ask the hon. member to consider that the democratic process is alive and well not only in this institution but surely in labour unions as well. The right still exists within those unions to elect an executive and, yes, a labour bureaucracy of the kind described by my hon. friend. If members of those unions make the determination that they are not adequately represented by their leaders, by their executive or bureaucrats, have they not the right to put them out? Have they indeed not done that? Do we not all recognize examples where that has been done over the last few years?

Are we to presume that we should sit here and disallow them that right as well, to say to them that the system obviously cannot work and that we are not going to give it a chance to work, that instead we want to pass this kind of legislation to protect them from themselves? I do not think that we should be presuming to pass that kind of legislation.

Mr. Oberle: Look around and see what the Postmaster General is saying about the system working.

Mr. Daudlin: The hon. member discusses the situation in the Post Office and asks me to consider what the Postmaster General is saying. I suggest to him that the Postmaster General has said that we have to put an end to confrontation; that confrontation type negotiations are not the route to go. I do not think I am saying anything to the contrary today. Neither do I think the bill put forward by the hon. member will assist that purpose. All it will do is to so weaken the ability of the work force as to preclude its being able to negotiate from any position of strength. It is abundantly clear that when the position of either labour or management is so increased in strength as to make the other side impotent, all that results is trouble in the labour force and nothing is obtained from that.

What we have to look for, is equity, and I submit that what we have now is approaching that. It is not entirely that; there are a lot of improvements which have to be made. As I said before, one has to look at the 14 point program put forward by the labour minister to see what it is we on this side of the House are supporting and trying to do better to improve the labour situation. This is our answer; this is our mandate to solve that problem. It is also a statement of our recognition that there is a problem. No one is turning a blind eye. I suppose, in short, that what we are saying is that this bill is not the way to answer the problem.

With respect to the practice in other jurisdictions, it is true that there are jurisdictions which are adopting right to work legislation. In the United States, for instance, in the current legislation respecting rights of employees, the national labour relations act, section 7 provides:

● (1630)

Employees shall have the right to self-organization, to form, join or assist labour organizations; to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of the above activities except to the extent that such right may be affected by an agreement requiring membership in a labour organization as a condition of employment . . .

The same holds true for the U.S. railway labour act and the Norris-Laguardia act.

There have been pieces of legislation passed in terms of controls on union coercion and discrimination. That particular legislation is to prohibit the situation where unions have demanded of employers that they fire labourers who fail to pay their union dues. At the same time the legislation has also protected the labourers to ensure that unions, in an effort to get rid of particular employees, should not impose on them certain labour dues or certain entrance requirements in excess of the usual requirements. In effect, that would provide some kind of reverse discrimination.

I am certain there are others who would like to join in this debate this afternoon, and I am sure they have matters which will add to the problem. The matter I would like to highlight today is that, in my view, this legislation signals a difficulty we all recognize, and would be a regressive piece of legislation because of the damage it would do to the principles enunciated by Mr. Rand when he settled the Ford strike. Those principles, which are recognized by all labour management forums, nationally and internationally, have indicated that this is a formula which should not be toyed with; is something which should be held in high regard; and should be seen by us as a signpost of the hope we are working toward, and that is labour-management peace.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Prince George-Peace River (Mr. Oberle) will not be surprised at my saying that I do not support his bill. I am afraid I cannot even indulge in the nicety that is sometimes suggested in private members' hour about a member having rendered a service by bringing the matter before us. As far as I am concerned, the sooner we can get rid of this bill, the better.

Mr. Ellis: Stanley, that is 21 minutes.

Mr. Knowles (Winnipeg North Centre): As a matter of fact, I do not think hon. members need to talk the bill out. I would be quite happy for it to come to a vote and find out what the House thinks about this measure.

Mr. Oberle: Call in the members.

Mr. Knowles (Winnipeg North Centre): I hope the hon. member for Vancouver South (Mr. Fraser), who is the labour spokesman for the Progressive Conservative party, will have a few words to say and will let us know where he stands on this issue.

As the hon. member for Kent-Essex (Mr. Daudlin) has just said in his speech, which I endorse whole-heartedly, it took labour a long while to win the right to collective bargaining. If collective bargaining means anything, it includes the right to reach agreement on certain matters.

An hon. Member: It includes the right to intimidate.

Mr. Knowles (Winnipeg North Centre): The Canada Labour Code enshrines that right in giving to the parties to collective bargaining—labour on one side and management on the other—the right to draw up certain kinds of agreements. One of those is a closed shop, another is a union shop, there are maintenance and memberhip provisions, and the new development in our generation is the Rand formula to which the previous speaker has referred. It is clear that all of this is all voluntary.

Unions are not required by law to make any of these provisions or any of these agreements, but these are the options which are open to them. The hon. member for Prince George-Peace River would take away one of those options or one of those rights, and if he were to succeed in doing that, I suggest it would throw the whole business of employee-employer relationships into a tailspin. From my point of view, his comments on trade unions reveal a complete lack of understanding of how trade unions operate, just as I thought he was dreaming a bit when he told us about the virtues of those on the other side and what they do with their profits. The viewpoint of my hon. friend is that labour unions are bad and management is all good. I disagree. As I say, I would be quite happy if the motion for the second reading of this bill could come to a vote and we could get rid of it. To deny the right of a union on a voluntary basis, if it can get agreement with management, to get whatever kind of contract can be worked out, is a thoroughly regressive step.

As for the second part of the bill, which has to do with the payment of dues, the hon. member who has just taken his seat has gone into that at some length in his discussion of the formula produced by Mr. Justice Rand. I submit it makes sense that those who benefit from what an organization does on their behalf should not be given a free ride.

I do not happen to approve of or support the government we have in Canada today. Therefore, does that mean I should be excused from paying taxes? Actually, there are benefits, which all of us enjoy, because there is government in a civilized society providing certain protections, benefits and so on. The fact that I disagree with that government does not give me the right not to pay taxes and not to pay my share of what that government does for the country as a whole. By the same token, those who get better wages, shorter hours and better working conditions, because of a union organization working on their behalf, should be required to pay their share. If they

do not want to belong and if they do not want to be members, that is their right.

As to the suggestion of the hon. member a while ago that these members are forced to pay contributions to a certain political party, I hope he is intelligent enough to know that that statement is not correct. In this day and age when we are trying to move things forward in terms of employer-employee relationships, the hon. member has done a disservice by bringing in this bill.

In the course of the speech made by the hon. member for Kent-Essex, there was a question from this side of the House about the Post Office. That was supposed to flatten the argument made by the hon. member for Kent-Essex. As an aside I would like to make the point that one of the reasons there is so much difficulty in labour relations, with regard to the Post Office, is because the members of the postal unions have been unhappy that their labour relations are not governed by the Canada Labour Code. They come under the Public Service Staff Relations Act. They do not feel that legislation fits an industrial operation such as theirs. Thus, any suggestion that the troubles in the Post Office constitute a reflection on the Canada Labour Code is one which fails to take these facts into recognition.

The bill which has been put in this afternoon is not in the interests of improving labour relations in this country. I am glad I held back and let an hon. member from the other side speak first, because the position I take would be assumed in this House. It has been a pleasure to hear such a good statement on the position of trade unions by the hon. member for Kent-Essex, and I hope the House will reject this ill-advised bill in one way or another.

● (1640)

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in rising to take part in the debate on the private bill introduced by my colleague and fellow member of my party, the hon. member for Prince George-Peace River (Mr. Oberle), I want to speak quietly but to make some comments which will be of help in the debate taking place this afternoon.

First of all I have to say with reluctance, because the bill is introduced by a colleague of mine, that, as the labour critic in Her Majesty's Loyal Opposition, I cannot agree with the bill. But, having said that, I think it is also fair to say that the bill represents a point of view which is, in many respects, increasing in many parts of our society, and I think it behooves everybody here not to take the attitude that this issue should not be debated but rather to ask why it is that an hon. member on this side of the House who, I happen to know, has business interests in the province of B.C., who employs workmen and has an excellent record of employment, feels compelled to introduce this bill and to open this debate in the Chamber this afternoon. It is no use saying that the issue which my friend has raised by introducing the bill is not one that concerns people in the country, because it most certainly does.

My friend has made reference to certain studies and polls, and I can assure you that I have seen these studies and polls as well. I have also had occasion to talk with strong trade union people who, reacting out of frustration and anger, sometimes to situations within their particular unions, have said that maybe union leaders would be better union leaders if there were no closed shop. The reason that I am saying there is no use avoiding the issue is that the issue is there, it is in the country. I am saying this as the labour critic in the official opposition.

I am saying that I cannot support the bill for several reasons. First of all, in the vast majority of unions in this country democracy functions, and it functions well. The strike record that we had had in Canada,—which has improved recently—was extremely serious 18 months ago. I see some hon. members on the government side nodding in agreement. It may very well be serious again, but I am not sure, and I am not persuaded from anything that I have learned that this bill would necessarily eliminate strikes in this country or eliminate the incidence of strikes.

The problems that have created much of the industrial strife in this country have little to do with the so-called right to work laws. They have to do with a number of other things. In 1975 they had to do with the fact that, if you take a look at the figures, labour's share of the gross national product was declining, wage demands were increasing because costs were increasing, and any good labour leader, including Mr. Morris of the CLC, will be quick to point out that one of the reasons why costs were going up was that inflation was taking hold and, as Mr. Morris has said repeatedly, the blame for that lay very much in this Chamber because the government was printing money beyond productivity and inducing a good deal of domestic inflation.

When we look at the situation in the management-labour world in this country and when we take the time to speak with and listen to both sides, we find an amazing amount of common sense, if you can put these people in some room where their common sense statements will not be reported by the media. The average labour leader in this country lives in a highly political and sometimes very difficult world within his or her own union, and the long history in this country of a militant adversary system has made it extremely difficult for many labour leaders to be what I could call "reasonable" because they are afraid of being attacked by their own rank and file as not being tough with the boss.

On the other side of the coin is the fact that a good many people in management have, for too long, dealt at arm's length with trade union representatives, trade union leaders, or through people who are hired to do all the negotiating, and often management has been too far removed from the bargaining table.

I suppose that another cause of some of the strife has been that expectations in this country have, for some time, run ahead of the reality of the situation, although having said that I recognized that there are some people who believe there is no limit and that increases on an annual basis can go on forever. Let me assure all hon. members that the most sensible and responsible people within the trade union movement today

know that that is not so, and that a great deal of their concern now is not just in trying to scramble to keep up with inflation, although that is very important, it is also the very serious concern as to whether or not our industrial society will produce enough jobs for their fellow workers and for the sons and daughters of all of us.

Some reference has been made to the situation in European countries. I think it is fair to point out that in one of the countries in Europe where they have a high degree of unionism—at least as high as our own, or perhaps a little more—that is in West Germany—there is no compulsory, manadatory, union membership. But we have to remember, when we look at the situation in Europe, just as we have to do in other things that are being talked about today, including co-determination, industrial democracy, workers' councils, and all that sort of thing, that it is not easy to transplant a system which may work in another milieu and with another cultural background into our industrial milieu, because our tradition has been very different.

Lastly, I want to emphasize, because it has to be remembered, that law makers have an obligation not to just work out on a theoretical basis what they believe would necessarily be the best of all possible worlds for all possible people. You cannot pass laws that will create so much strife and antagonism that the social damage done as a result of those laws exceeds any benevolent objective that the law makers may have.

● (1650)

I say bluntly that if this House should decide to impose so-called right to work laws across the boards on the parts of organized labour which lie within the federal jurisdiction, it would be taken as an attack on union security by every trade union person in this country.

I do not need to remind hon. members that within the organized trade union movement in this country there are approximately 3.2 million people. I ask the House also to remember that those are just the men or women who work in the force and belong to trade unions, and that the trade union family is much larger than that. That family is composed of the spouses, the children and the parents of those people, and I can assure hon. members that 3.2 million trade union members in this country and their families do not consider themselves undemocratic or somehow alien to the civil traditions of our society.

In closing I want to come back to my opening point and say that I hope all hon. members will recognize that my colleague, the hon. member for Prince George-Peace River, has done this House a service by bringing this bill here, because there is a reason it has been introduced. The reason is that many people are demanding this kind of legislation. That is a warning to us.

It is a warning to management, and it is a warning to the trade union movement. There is no part of the civil community, in which we have so much pride in Canada, that can very long withstand the scrutiny of public opinion if the perception should grow—and if it should become solidified—that democracy is not working within it. The same applies to the trade union movement if the public should begin to believe that the industrial relations system of our country is not working—in fact, even worse, if the public decides it is working against the public interest—then there is no question that the pressure upon all of us in this Chamber to pass laws to do something about it will increase.

I want to thank the hon. member for Prince George-Peace River for introducing this bill and initiating this debate. I want to thank other hon. members for taking part. I hope that when I say—regretfully, because the hon. member is a colleague of mine—I cannot support the bill, all hon. members will, after listening to my remarks, understand the reasons for that.

Some hon. Members: Hear, hear!

Mr. Roger Young (Niagara Falls): Mr. Speaker, nearing the end of the day and entering the debate as I do at this moment, I must say that I have had the benefit of listening to the previous speakers, and I say very sincerely that I enjoyed that benefit.

When I gave my maiden speech in this House a couple of years ago, I followed the hon. member for Vancouver South (Mr. Fraser). We did not entirely agree on principle or on specifics at that time, but I have always appreciated his wisdom, his intellect and, by and large, the soundness of his judgment, even at the times when I have disagreed with him. I think I can say on his behalf that he spoke this afternoon probably with some reluctance because he spoke in opposition to a bill proposed by one of the backbench members of his own party. However, he spoke with such cogency and was so lucid in his remarks that there is little else to be said.

This afternoon I also find myself in agreement with the hon. member for Winnipeg North Centre (Mr. Knowles). I do not always agree with him, but today he spoke very appropriately.

I do not mean to condemn the hon. member for Prince George-Peace River (Mr. Oberle), but I too disagree with the specifics of the bill, and I would fear the result which would be brought upon the Canadian scene.

The hon. member for Vancouver South said he was glad the bill was brought forward for debate this afternoon, and I agree. He spoke of the growing feeling in the country that perhaps a change in labour law legislation is needed. I think it is true that there are people who feel that there has been too much confrontation and too much economic disruption and that we are all involved in this. However, as the things in which we are involved grow more numerous, sometimes we forget some of the lessons of history, and we are so wrapped up in the problems we have today that we forget the set of facts which originally gave rise to the type of labour code we have today, to the Rand formula, and to the system we now operate under. It may not be a perfect system. Few things are ever perfect. They may look that way on the surface, but there is a point where, because of human fallibility, they begin to break down.

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has expired.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to take a brief moment to raise a question of privilege. This morning the House was good enough to endorse a motion which I offered congratulating the eight hon. members who were elected 20 years ago today and who have been here during that period of time. Because of the way my motion was actually worded, referring to those who were elected the first time 20 years ago today, I should have included at least one other hon. member who was first elected that day. I suppose the reason I did not include him this morning was that he has not been here all the 20 years in between, but we congratulate him as well, and I should like to pay tribute as well to the hon. member for St. John's East (Mr. McGrath) on still being with us, even if he had a couple of terms out after having been first elected 20 years ago today. If there are any others, I include them as well.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to the order made Monday, May 30, 1977.

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

HOUSE OF COMMONS

Monday, June 13, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

AERONAUTICS ACT

AMENDMENT TO PROVIDE ACT BINDING ON HER MAJESTY IN RIGHT OF CANADA OR A PROVINCE

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-46, to amend the Aeronautics Act and the National Transportation Act, as reported (with an amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Now.

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

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, we have no intention of delaying this bill any further. However, I wish to comment that it is another regulatory piece of legislation that is not required. We feel that the CTC has enough authority to handle these matters in regard to the provinces dealing with airlines, but we are prepared to let the bill go through on division.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

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

• (1110)

AMENDMENTS RESPECTING CHARGES FOR USE OF AIRPORTS, ETC.

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-40, to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, I thank hon. members for co-operating in moving forward this legislation. There may be agreement to amend the second reading motion, to provide for this bill to be considered in committee of the whole. When I finish my remarks I shall propose such a change in the second reading motion.

Bill C-40, to amend the Aeronautics Act, deals with several important matters, the first and most important of which is the introduction of more effective zoning provisions under federal jurisdiction. Our airports are important facilities and, obviously, the manner in which land surrounding them is used is important to their future use, and to people who may want to use the land. Sometimes after an airport is built it has been difficult to expand it, because houses have been built there and other activities engaged in. Since airports represent a large public investment it is important for land to be so zoned as not to endanger future development of an airport. We want to avoid such difficulties.

We think you can most effectively zone land through the action of municipalities and provinces which ordinarily concern themselves in the many issues which arise from time to time in communities. Bill C-40, which will allow for the additional exercise of federal jurisdiction, shows clearly that we intend ordinarily to rely on municipalities and provinces to do the appropriate zoning of our airports in order to protect the land. Ordinarily, they will do this after we discuss these questions with them. Sometimes, however, there may not be provincial legislation in existence, or a province may be unwilling to act in a certain way, and we therefore feel that there must be provision for federal jurisdiction under which zoning in such cases can be done. Alberta, after a good deal of discussion, enacted comprehensive zoning legislation which will be fully effective in allowing us to do what we need in the way of zoning around airports.

We have included compensation provisions in this bill which essentially follow compensation patterns provinces ordinarily use in their own zoning. We did not want to set different standards, even though in our judgment sometimes a different scale of compensation would be appropriate. It seems only logical to retain the provincial approach to compensation, since we want provincial governments and municipalities ordinarily to do the zoning. It would not do to have a different standard of compensation, depending on the nature of the jurisdiction, its location, and so on.

These provisions therefore will allow us to work with the provinces. We shall ordinarily enter into discussions with them, and use our zoning provisions when it is either impossible or difficult for a province to do this.

A number of other changes in the bill are highly technical and deal with questions which have arisen in practice, in the course of our administering safety and licensing aspects of legislation. One clause deals with the collection of fees and the imposition of interest charges on obligations carriers have not paid. This is particularly intended to deal with foreign carriers which have resisted the payment of appropriate fees for the use of our services and airports. The prospect of interest charges will give them an incentive to pay early and promptly, instead of delaying payment and so forcing our collection agencies to seek payment.

That, essentially, is the heart of the bill. I commend it to hon. members.

I now ask if hon. members would be willing to change the second reading motion, to provide for the bill to be referred to committee of the whole, so that it may proceed through all stages. There have been certain discussions and I understand there may be agreement to do this. If I am right, and I would appreciate if it could be determined, I will so move.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I did not understand there was agreement for this bill to be considered in committee of the whole and pass all stages. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) cannot be here today. This bill came on suddenly. We understood other legislation was to be considered this morning, and this bill later. It is true there have been discussions, but so far as we are concerned this bill should go to committee where certain groups and organizations may appear to make representation on parts of it.

This bill, Clause 2 in particular, has this in common with other legislation governing transportation: it extends the government's broad and sweeping powers to make charges for airport facilities and services, and presumably is consistent with the minister's user-pay concept. Although it is agreed generally that the cost of such services should be reflected in the charge for them, one must bear in mind the ability of the user to pay. Users should not be forced to pay for extravagance and waste, particularly for exotic, ultra-modern facilities, so-called, like Mirabel and other airports, built without consultation and without considering how users would employ such facilities. The government has acted unilaterally and has imposed undue burdens on airlines. These burdens have been passed on to the actual people who use the facilities, in the form of increased costs.

People in the airline industry will tell you that there has been much overbuilding of airport facilities in this country, particularly in some areas. The result has been extravagantly increased charges. The industry has had to pay a much higher scale of landing fees, as well as increased fees for other services. One year ago, in 1976, the minister wanted to increase by 600 per cent the landing fees for some who use certain airport facilities. Again the government acted unilaterally, without considering the industry. The minister has been laying his heavy hand on the industry and it is fair to say he has hurt particularly the general aviation industry. Under this legislation the powers are so broad that he can continue to make increases in the charges on a day-to-day or week-to-week basis without any consultation with the industry. That should be examined.

● (1120)

What we have to consider is that it is ultimately the consumer who has to pay for the services, the user. The one who rides on the airplane has to pay. It is interesting to note that in the March edition of *En Route* magazine put out by Air Canada, United States air lines pay an average of $1.95 per passenger for landing fees and terminal assessments, while Air Canada pays to the federal government something like $2.94 for each of the 4.2 million boarding passengers. That is about $1 per passenger more for landing fees.

I wish to quote from the December, 1976, edition of "Government and Military Business". In one article the president of the Airline Transport Association, A. C. Morrison, is reported as pointing out, in addition to user charges and public service labour problems, that the industry has been shouldering added taxes. I quote from the article by Cliff Cowan as follows:

> It is now estimated to cost more than $4,000 to land a Boeing 747 at Mirabel.
>
> Mirabel airport is a story in itself—enough to make an airline weep. Poor planning and esthetic design make industry wary of government help. Indeed ATAC in its annual report stated, "measures instigated by the government show little evidence of concern for the financial state of the industry... lack of concern and support is reflected in the reduced rate and limitation in the application of the capital cost allowance."
>
> Mirabel, the industry feels, was a politically motivated decision that was constructed prematurely and against the advice of the air industry at too great a cost.
>
> Some planes are now over-flying Mirabel and going on west to Toronto. Mirabel, has been estimated, will have a possible loss of $46-million in this fiscal year.
>
> Mirabel, too, is isolated. Badly-needed road links between it and Montreal have been planned and announced but remain not built.
>
> The former Quebec government came up with plans for a new commuter train system linking Montreal and environs with Mirabel. Both the federal and provincial governments agreed to the plan and sponsored a respected Ottawa public servant, Douglas Fullerton, to draw the program up.
>
> He estimated the cost would be in excess of $500-million, but money, he learned, wasn't the major problem—local politics had to be considered.
>
> The city of Montreal wanted to expand its Metro line and put a block on the Fullerton plan.
>
> As a result, Mirabel remains an exotic and costly structure . . . but aloof.

The statement with regard to the possible loss of $46 million in this fiscal year has certainly been quite accurate.

Under this legislation there will be more power in the hands of the minister to pay for exotic and costly mistakes perpetrated by this government, an extravagance that Canadians can ill afford. We do not object to the government imposing fair and reasonable fees upon the users of the services. However, this sort of waste is less than desirable.

Under proposed subsections (2) and (3) in section 5, the minister will ask the owners and operators to provide bonds to ensure for the payment of services, and provides for the imposition of liens. We can only assume that the ministry has had trouble collecting for services. We should have some clarification with regard to who are the offenders and to what

extent this has taken place. A proper place for this to be considered will be in committee.

Some of the users who have been involved in this sort of thing should appear before the committee. We would like to know how much money has been involved. Why have we been lax in the past, if there have been losses as a result of our inability to collect? Or is this overkill? If not, why have we waited so long? Why is it necessary to force this issue at this time? Is part of the problem that some of the costs are inordinately high and sometimes unjustified? I heard the minister say there were some 40 carriers.

Mr. Lang: Four.

Mr. Mazankowski: Four carriers. We should know who the carriers are and why there has been disagreement over the application of costs.

Clause 3 provides that owners and operators will be required to carry liability insurance. We do not find any disagreement with that. If you are compelled to carry liability insurance for a passenger car, surely no less should be required of an operator of an aircraft. Therefore, I see no problem in that regard.

Clause 4 deals with the maintenance, design or manufacture of aircraft or aeronautical products. That too seems to be a rather natural and logical requirement. However, in most cases these individuals are already licensed. I am not sure whether a duplication of licensing is being proposed here. This bothers me, as do many other pieces of legislation of this nature. It is nothing more than multiplying the bureaucracy.

We have a tremendous boon here to the bureaucratic development of the government. Frankly, I do not see why we need double licensing. Perhaps there is a legitimate reason. If so, this should be brought out and dealt with in committee.

Proposed subsection (5) provides that owners and operators involved in accidents or incidents must report them. It would seem that this is more or less a general understanding. Anyone involved in an accident must report that. In terms of reporting incidents, this might cause some concern, particularly for those involved in the training of pilots, such as the flying clubs across Canada.

In the process of carrying out flying lessons, I am sure that there are many incidents. If every incident must be reported, much will depend upon the definition of an incident. This may involve a tremendous amount of reporting and bureaucratic red tape which may or may not be necessary. I hope that this will be clarified.

It would only be natural that those engaged in the training of pilots in flying clubs be brought before the committee so that we can hear their version of this provision. Perhaps they can assist the committee in putting together an amendment to clarify the provision in that clause. With the sweeping powers the minister has under regulations and the penalties that could be provided, it could be rather intimidating and frightening if this provision got out of hand. I hope this will be looked at as well.

• (1130)

Clause 4:6.(1) primarily deals with zoning regulations. I understand the organizations known as People Over Planes has some serious misgivings about that particular problem. I would like to quote from a document presented by that organization, which reads as follows:

> Land use planning and property rights are clearly a provincial responsibility under our constitution. This act has far-ranging powers. By publication of the intent to impose a zoning restriction and by passing an order in council the federal government can restrict land use anywhere—"adjacent to or in the vicinity" of an airport. Thousands of acres can be affected. The purpose is to keep owners from building houses on properties they already own.
>
> The act allows no hearing of necessity—presumably a draftsman in the Ministry of Transport will determine whose properties are affected. There is no appeal procedure or no consultation required with the affected owners or municipalities. A federal bureaucracy will determine detailed land use in Ontario communities near airports.

Without going into too much detail, there are some questions which have to be clarified. We must understand how far we are going under that particular section. It is urgent and very important that we undertake to have this bill presented to committee in order that witnesses may appear and give evidence of their concerns.

Turning to clause 5.8(1), it deals with boards of inquiry and reads as follows:

> The minister may
>
> (a) establish a board of inquiry to inquire into the circumstances of
>
> (i) any accident or incident involving an aircraft . . .

In this connection it is unfortunate the government has not seen fit to adopt the very sensible private member's bill which is now before the House, Bill C-220, which was introduced by the hon. member for Dartmouth-Halifax East. This bill was debated in the House on April 1. The hon. member has campaigned long, hard, and diligently for this legislation. The purpose of this particular bill would be to establish a permanent and impartial commission of inquiry to investigate transport accidents within federal jurisdiction. Under the present law, many of these transport accidents are investigated by the federal body responsible for making and enforcing the rules under which transport operated when the accident occurred. Many of these accidents involve the loss of lives.

The hon. member for Dartmouth-Halifax East has always contended there is a conflict of interest and it should be mandatory that we establish an independent board of inquiry which would sit, independent of the Department of Transport and all other federal regulation agencies, so that there could be an in-depth, impartial, and objective inquiry into all accidents or incidents, particularly in the case where there is a loss of life.

This particular measure was promised in the throne speech of 1974. While there has been a lot of talk about changes in the transportation policy, amendments to the National Transportation Act and various amendments to the Aeronautics Act, the government has not acted very quickly in this particular area. The hon. member for Dartmouth-Halifax East introduced a measure of similar substance back in October, 1970. It was known as Bill C-66 at that time. It was reintroduced as

Bill C-85, Bill C-33, Bill C-109, Bill C-226, and now it is Bill C-220.

Mr. Baker (Grenville-Carleton): History moves on.

Mr. Mazankowski: Surely in an area as important as safety and the concern of getting to the bottom of accidents which take lives of individuals, a step in this direction is long overdue. Surely it is high time the government took the initiative and enacted this very important principle. I am sure the hon. member for Dartmouth-Halifax East would not mind if the government stole his idea and brought it forth in the form of government legislation. He would be happy if the government would accept his particular bill and enshrine it into law. It is a good bill which has a broad base of support, not only in the industry but in many of the regulatory agencies as well.

There is no branch of the Department of Transport or any other federal agency which has over-all responsibility for ensuring that a systematic, comprehensive, and high standard of investigation is under way. It is important to ensure that safety is practised at all times and, when there is an error, that we get to the bottom of it so that we can avoid future catastrophes.

At page 9 of the bill, Clause 6 sets out to impose terms and conditions on a licence which is already issued. There is some concern here, because unilaterally the commission can change the licence by imposing restrictions, and new terms and conditions on licences which come up for renewal. While there may be some degree of necessity in this regard, it is important to ensure that there is proper access to appeals for those who have licences and find their licences restricted or almost withdrawn, as a result of the restrictions and the regulations added thereto.

At page 10, Clause 7 deals with the licensing of commercial air service. The thing which bothers us on this side of the House is the fact that we have no third level air carrier policy in this country and we have no clearly stated regional air policy. In June, 1975, the former minister of transport said that a regional and third level carrier policy would be forthcoming soon. There has been no mention of this fact ever since. We are asking the Canadian Transport Commission to deal on an ad hoc basis without any set government policy in terms of a third level air carrier policy. When you tie that in with the thrust of Bill C-33, under which the minister is emasculating and abrogating many of the powers in the hands of the CTC, probably the consequene will be that the licensing of these air carriers will be done more on the basis of political considerations, rather than the realities of economics, geography, and need. We should be pressing for a clear definition and statement of regional and third level carrier policy so that it can be meshed into the regulations which are enshrined within this piece of legislation.

● (1140)

It is clear the bill requires a great deal of clarification. It is important that it go to committee and that witnesses be heard. Amendments to some clauses will probably be required with a view to clarifying the major thrusts of the intended legislation. I hope we can count upon the minister to ensure that there will be an opportunity to deal with witnesses and carry out a thorough, full-scale hearing into the many facets of the bill. In effect, we have been asked to deal with omnibus legislation and we should look at it in that light.

[Mr. Mazankowski.]

Mr. Arnold Peters (Timiskaming): I do not want to take very long, Mr. Speaker, but I am interested in some of the comments the previous speaker made, particularly those concerning the new powers being sought by the minister as they would likely affect regional carriers. The suggestion was made that the minister would, in effect, be taking over the powers of the CTC.

I have been watching with some interest applications which have been made to the CTC by these second-line carriers—I use that term to distinguish them from CPA and Air Canada which might be considered first-line carriers. Some time ago I attended hearings which were held in Sudbury concerning an application by Nordair, which had offered a return flight daily from Montreal to Winnipeg via Sudbury and Thunder Bay. I was interested at that time to find that the minister of the day involved himself in those hearings, though in absentia, by sending a letter indicating that no matter what was decided he would not allow the Nordair aircraft to land at some of the airports scheduled because they were not capable of handling the Boeing 737. Apparently it was O.K. for a DC-9 to land there, though everyone knows there is only a difference of a few hundred pounds between the Boeing 737 and the DC-9.

I mentioned to the chairman of the CTC, who had been a colleague of mine in this House for a number of years, that there really wasn't any point in continuing the hearing, the minister having made a decision that the aircraft would not be allowed to land. What would be the sense of discussing whether Nordair should be given the opportunity to service the area or not? The whole exercise seemed foolish. I twitted the chairman of the commission about the matter. The intervention was clumsy, it seemed to me, because those responsible did not even bother to clear it with the district offices. The manager at Sudbury telephoned the district office in Toronto responsible for the safety and conditions of the runways in Sudbury, and the officials there informed him that the Sudbury runway could, of course, carry the Boeing 737. There had been no structural damage and it was not anticipated there would be.

It is interesting to remember, of course, that Air Canada was the operator intervening in that case. However, Air Canada only operated the flights for two months; it has since dropped the service, so the people of Montreal, Sudbury, Thunder Bay and Winnipeg are not able to take advantage of that run. The route is now directed through Toronto rather than through the northern part of the province, passing through Ottawa.

This tells me that if the minister cares to use the power he possesses over the licensing of airports it is he, really, who is able to control the entire operations of the air industry. He

would be able to decide who was going to fly, where they were to fly from, and where they would go.

There are other aspects of the bill which interest me. One of them is the provision the minister is seeking in connection with the zoning of areas surrounding airports. I am, of course, aware of the need to maintain air clearance in such areas, but I have always been of the opinion that this could largely be ensured by agreement and consultation. When a community asks for an airport it is obviously ready to bear these considerations in mind. It is in favour of the project. Otherwise, it is not likely to be particularly successful. For instance, when a new airport was built in Japan the public in the area surrounding it were violently against it; riots at the approaches to the airport have already resulted in a number of serious injuries. Protestors built a high tower to express their feelings. It was torn down, but only after a great furor.

Canada, it seems to me, is large enough to enable airports to be put in locations about which there is agreement. To begin by contemplating buying up land around the approaches to an airport under the Expropriation Act indicates that the government intends to go ahead and make these decisions whether there is agreement or not. I suppose this particular proposal relates to Pickering. I suppose it means that the minister still has in the back of his mind, being the type of person he is, the intention to build Pickering whether the people around there want it or not. If he gets the power sought in this bill he would have no need to ask for any co-operation from the surrounding municipalities. All he needs to do is use the expropriation powers given in this bill and he would be able to make decisions as to the height of buildings surrounding an airport or do anything else he may wish to do.

I imagine that much of this bill arises from the fact that Mirabel has been such a disaster. For us to lose $43 million—

Mr. Béchard: It is not a disaster.

Mr. Peters: The hon. member says it is not a disaster.

Mr. Béchard: You will see in ten years.

Mr. Peters: The hon. member comes from that area and he says we shall see in ten years. It seems to me we should not have to wait ten years. Why should we pay $430 million over the next ten years? If we extend the $43 million we are losing this year that would be the cost. Why should we make that kind of contribution when we could probably solve the problem?

● (1150)

We either have to shut down Dorval and operate Mirabel or shut down Mirabel and operate Dorval. No matter how we cut it, there are fewer landings now than there were two years ago. That being the case, we should close one of them and operate out of the other one. The people of Quebec are going to find themselves in a very odd position if no international carriers land in that mess and go to Toronto instead. That would create another disaster in Toronto because that airport is overloaded now.

We do not want to transfer all international traffic to Toronto, but we had better do something about the Montreal situation because it is a disaster. To reach Mirabel, in Montreal a person gets on a bus and travels around the city for a long time. The time varies according to the traffic, but it is not very easy to get from Dorval to Mirabel or back. It is very expensive. If you go by taxi it costs a lot of money to transfer from one airport to the other.

I personally have not encountered any difficulty at Mirabel. It is a totally different concept, and I have not had any difficulty with the airport itself. It may very well be that we can use Mirabel to its full capacity, but if we do, we cannot operate those two airports so close together. The minister should know about this because it happened in New York, Chicago, and everywhere a second airport has been built. The only ones which are operating efficiently are the small ones, like the ones in Calgary and Edmonton were some carriers operate only out of the municipal airports and move all the local traffic. The local air carriers do not use the international airports. At one of those cities the international airport is about 12 miles out and therefore cannot handle short-run traffic because ground traffic would have to be used for a longer period of time than the air traffic.

We have not been able to operate Mirabel satisfactorily, and we are not doing anything to solve the problem. The minister can say he has this in hand. He can be as callous about it as he wants to be, but it is costing a lot of money. This makes many people unhappy, and we are no closer to a solution than we were the day we opened that airport. I think some hon. members from that area would like to see some of the long-range problems which are developing solved.

There will be a difficulty because international traffic will be going into Toronto where it cannot be handled. I do not think the answer is to build another airport at Pickering, or at Camp Borden, for international traffic. If we did that, we would have the same problem, and we probably would not be any better at solving it. If we move people from Barrie to Toronto or from Pickering to Toronto, we will have the same situation we now have with Mirabel and Dorval, because the minister has no expertise in handling ground transportation. We do not have any rapid ground transportation in this country. We do not seem to be able to buy it from anybody who will operate it in this country satisfactorily.

Let us hope that this bill does not allow the minister to go back into Pickering. If he had the power to eliminate municipal objections which might arise, if he could expropriate, and if we are talking about supersonic aircraft, the minister could get control of a radius of 20 miles or 30 miles around that proposed airport. If we plan to land Concorde aircraft, airports have to be away from large population centres. This legislation provides a considerable amount of control. Before the minister gets that kind of control, I think he has a responsibility to say what he is going to do about the problem he now has which is not being solved.

It really would not be advantageous to limit the CTC's control, as limited as it may already be. I remember what the

department did in Sudbury. The municipal airport there was under the direct control of the Minister of Transport (Mr. Lang), through regulation. Sudbury was not putting any money into this airport, it was not controlling it or operating it, but because of safety regulations the department said the airport could not handle Nordair aircraft. Therefore it was decided that Air Canada would use that airport. Air Canada got the route, and what happened in that regard is interesting. It operated for several months during a disadvantageous period of time. There was no traffic on the route, and Air Canada was able to drop it within a matter of four or five months. Perhaps Nordair would have had to drop it as well. I am not expert on the financial structure of that route and on how it would operate at a better time. However, Montreal, Ottawa, Sudbury, Thunder Bay and Winnipeg do not have the benefit of that service now because a second line carrier was not able to get the licence because its aircraft would not be permitted to land at the Sudbury airport.

There are a number of other factors which have been mentioned by previous speakers. I think all of us are interested in them. How can there be an accident in which the CTC is involved but which is investigated by the department? There is no question that the government was involved in that famous inquiry into a disaster which happened very recently in the Northwest Territories. The government was involved in compensation as well. There was obviously a conflict of interest, and I do not think we will ever know the truth about that accident because I do not think the inquiry was impartial.

I agree with those who say that there should be full and impartial inquiries into accidents, and that people involved in non-fatal accidents and people dealing with the estates of those involved in fatal accidents should be totally informed and convinced that inquiries are impartial. All the facts should be made available. I think that is not the case at the present time, and there are many people who agree.

Another clause in this bill which surprised me has to do with overflights. If everyone making an overflight had to make a deposit, that would mean Russia would have to deposit with Canada a large sum of money. These deposits would be for flights into Canadian territory, whether by helicopters operating off Russian ships in our coastal waters—

Mr. Ellis: Spy planes.

Mr. Peters: —or by aircraft which land in the Arctic to do supervision there because we do not have that capability. The Russians are in that area to quite an extent, and so are the Americans. Do we get a deposit from them, or what are we talking about? Are we talking about John Blow who has a $5,000 aircraft and who will have to pay these $100 landing fees at airports? Will he be the guy who will have to put up a bond, or will we get one from the U.S.S.R. or the United States for their overflights? If we think so, then we are dreaming.

● (1200)

Mr. Ellis: The U-2.

[Mr. Peters.]

Mr. Peters: Yes, I was thinking of the U-2 flight. It would have been interesting. If Turkey had a deposit, they would have been able to charge Cuba, and Cuba would have been able to collect on their U-2 because they shot it down. The Americans say it never flew over and that there was no such plane. In talking to the Cuban officials—and that was some time ago—they told us that they still had the body which they kept in deep freeze, and any time the relatives of the deceased want to have the body back, they would be happy to send it back, but the Americans will have to admit there was a plane. They would have been able to collect on the bond on delivery of the body from the aircraft, but they will not collect from the U.S. because the U.S. would not agree to such a bond, nor will Canada collect from the U.S., nor will Russia.

Even the minister is smart enough to know that if he were going to collect that kind of levy for overflights he would need an international agreement. The Secretary of State for External Affairs (Mr. Jamieson) would have to negotiate such an agreement in a proper way because it would be difficult to get agreement from countries which have sovereignty as well. They are not supposed to be flying over another country without permission. That is the way things are.

The other section, which is connected with this, deals with the other services for which we will now be able to charge. I suppose this has something to do with the minister's cockeyed idea about user-pay. It is true that the weather reports cost money and that they are used mainly by the flying public, but they are used for a number of other purposes as well. Aircraft in this country provide a service. If we eliminated all the aircraft, we would slow down our country considerably. For aircraft to fly, some services are needed, regardless of whether or not they land at a certain airport. Even if they have a private landing strip of their own somewhere, they need to have the services that are provided at the airports. They need weather reports, radio beams, radar control, and all the other services provided at a modern airport.

You may remember that a former minister of transport not long ago proposed that landing fees be paid at airports. That would have eliminated all training schools in the country. There was talk about a landing fee being paid every time a plane touched down. If a plane made several circuits and bumps on landing, it would have to pay a landing fee for each one. A training pilot has to make 50 or 60 landings, and each landing would cost some money.

We are helping in the financing of pilot training through other programs, and I think rightly so. I think that a country the size of Canada needs to train as many pilots as possible. A person in training to become a pilot today is making quite a contribution to the industry, as well as eventually to the country. He has to learn something about navigation, about the operation of airports, as well as about the operation of the industry in general. He may become a commercial pilot or someone involved in the field of aeronautics, in design, testing and research, and that will be of advantage to Canada.

We should know whether the minister is really talking about the licensing of airports in accordance with the user-pay

concept, because there are many airports in this country and training schools are attached to airports and they bring no real income to them. Airports at training schools could be used as emergency landing fields, a sort of auxiliary field to a major airport, but they are used mainly by the training schools.

You might remember that during the war there were hundreds and hundreds of small airfields across the country which were maintained solely for the purpose of emergencies. Nobody landed on some of them for years, but they were maintained, the grass was cut, and a certain amount of gas was kept for emergency purposes. Many of these small fields were later developed into training fields, and I think this is advantageous. I believe it would be a very bad idea if we were to charge them for the use of radar and for the wages of the guy who operates the radar, because they cannot use it; it is of no value to them. In some cases we would not be able to charge them for the use of radio because they are not properly equipped, and certainly they would not be able to use the sophisticated landing devices for which other aircraft have to pay.

I suggest we should be very careful in the way we implement the user-pay concept at airports. This is particularly true with regard to the small non-government operated airports. It appears to me that the minister wishes to obtain control over those as well.

The minister is asking for powers that are not justifiable and are certainly not needed, nor is it in the best interests of the industry and of the people who are using the facilities for the minister to have such powers. While it is close to the end of the session and most hon. members want to go on holidays—

Some hon. Members: No.

Mr. Peters: Well, the attendance here today indicates that I am more correct than those who say no.

Mr. Goodale: Only members of the NDP have that in mind.

Mr. Knowles (Winnipeg North Centre): We are here.

Mr. Peters: There are only a couple of airports in my riding, and one of them is a fairly good sized airport. I am sure there are other members of the House who have municipal airports in their ridings. I am sure there are a few in whose ridings there are pilot training schools. I am sure they have been shocked by the way we have conducted the inquiry into the accident that occurred in the Arctic, and by the way we have conducted the inquiry into the accident that occurred between James Bay and Timmins not long ago in which nine people were killed. I am sure that many people are shocked at the services, or lack of them, at airports.

I am sure members are well aware of the problems in their areas. I am suggesting that they are willing to give the Minister of Transport anything he wants, for two reasons. One is that there is not much they can do about it, because he will take these powers anyway. He is the most dictatorial Minister of Transport we have ever had. The other is that they want to go on their holidays and they are not greatly interested in speaking on this subject. If I am wrong, I am sure I will hear denials from a number of members who have more at stake in this bill than I have, and who represent people who are directly concerned with this piece of legislation. I am sure that they will have something to say, so I shall sit down and let them speak.

• (1210)

Mr. J. R. Ellis (Hastings): Mr. Speaker, my interjection in this debate will be relatively brief. I intend to look at some of the clauses of the bill before I spend time on the two main portions that I am basically concerned with, one regarding investigation of accidents and one regarding licensing of proposed scheduled airports.

The hon. member for Vegreville (Mr. Mazankowski) went into a couple of matters in considerable detail. He spent some time talking about the liability insurance clause. I have no objection to the fact that aircraft owners should have liability insurance. As an owner of many years standing I have always felt it absolutely essential, and I think anyone who does not carry it is being irresponsible. But I am concerned that the department is getting involved in this and not the CTC which would seem to be the regulatory body that should be involved.

I am also curious about the level of insurance that individuals will have to carry. It seems to me that if this is to be set arbitrarily by the department, this House should have some idea of the level before the legislation is passed.

The hon. member of Vegreville also dealt with the licensing of persons engaged in the design, manufacture, or maintenance of aircraft. In the past two decades there has been an increase in the number of home-built aircraft. These are built by very dedicated people who use their tremendous skills as machinists, carpenters, or as other types of tradesmen. They are usually built in basements, garages, backyards, or sometimes in a spare building at a small airport. These people have traditionally built very fine aircraft for their own recreation. Are they each to be separately licensed as a manufacturer under this legislation? This is something we want to find out. The same question comes up about licensing the premises on which an aircraft is manufactured. Does the department want to license the basement of a home because someone is building an airplane there? I agree that the legislation should go to committee for long and thorough examination.

A particularly interesting portion of the bill concerns the licensing of airports. The hon. member for Timiskaming (Mr. Peters) mentioned that there are not many airports in his area, but he was concerned about the user-pay principle. There are only a few airports in my area but there are other places where planes land. The Flying Farmers frequently come in on a grass strip owned by one of their group. Perhaps on a Sunday afternoon a farmer invites eight or ten others in the area to land on his field; they have a barbecue, and then fly off again. Is there to be an inspection of this type of field as well as of major airports?

And what about the fixed base operators? They perform a useful service in the small airports across the country. Are they to be affected by these regulations?

One of the things that I have encountered as a pilot, and which has been brought to my attention by other pilots, is that the Department of Transport seems to practise a policy of frustration or an adversary way of doing things. Whenever a private pilot wants a change in his licence, a change in the medical designation, it would appear that he is in an adversary situation with the department. The first answer to his request is always no, and then he must prove his case.

Not long ago I had an encounter with the department over my medical designation. It has since been changed, but the first notice I had was when my licence came through with an entirely different grade on it. I did not receive any indication that they were concerned about my medical adequacy for flying, before the licence came. There was no chance to provide further medical evidence, no chance to get a second medical opinion, just the licence with the new grade. I have not done much flying over the past 15 or 20 years so this was not a critical matter, but if I were flying for a living my livelihood would be affected. I get the same complaint from other pilots.

Then there is the matter of zoning regulations, which I think are worthwhile. I think the amount of building that has taken place around Malton Airport should have been curtailed, and I know I am supported by many people when I say there is no need for an airport at Pickering. The twinning of the north-south strip at Malton would provide all the service we need in the next two or three decades. As a private pilot I do not use Malton very much, but when I do I can get in and out without difficulty. It is not as busy as O'Hare or Kennedy, or some of the other large airports in the United States.

Zoning regulations vary from province to province. It is fine for the federal government to encourage universal zoning, which might be accepted as the National Building Code has been accepted, but I do not think it is necessary.

The hon. member for Vegreville also mentioned the People Over Planes Group. I do not have a great deal of sympathy for some of the leaders of that group who espouse politics rather different from mine, and who turn up in all parts of the country as troublemakers at various hearings. Nevertheless, they have a point. Presumably a draftsman from the Department of Transport would draw a line around an airport and determine which properties are affected. As I understand the legislation, there is no provision for appeal, and there is no consultation with the affected owners or municipalities. The federal bureaucracy will determine the detailed land use in any province near an airport. From the way the compensation clauses are written it would appear that the federal government could weasel out of paying compensation.

● (1220)

I shall speak mainly on two topics, the first being the licensing of a proposed, scheduled commercial air service. I think the Department of Transport could do much more to promote third level services. A few years ago we used Twin Otters in an experimental air service between Ottawa and Montreal. There was so much wrong with the service that I have not time to enumerate all the complaints. If the department is interested in such air services it might consider using the new Dash-7 on a scheduled, hourly commuter service in the Montreal-Ottawa-Toronto corridor, with a stop-over at Trenton as well. Colleagues from western Ontario may wish the service to extend as far as London, to which I would not object. But we should provide a service for the cities named in the corridor, which are strung out at between 125 and 150 miles intervals. I think the Dash-7 is the right aircraft to use.

The Twin Otter is a delightful aircraft but not suitable for commercial use. It is not comfortable, has fixed landing gears, and is not equipped properly for use as a commercial aircraft. The Twin Otter service between Montreal and Ottawa was an experiment, but not too successful. If that kind of service is to succeed it must operate from top notch airports. The Twin Otter service was grounded so often because of bad weather and other factors that it could hardly be called reliable.

The Dash-7 service could operate from Dorval, in Montreal, Ottawa International Airport CFB Trenton, and Toronto International Airport, all of which are equipped with the finest air navigation and landing devices in North America. I suggest Trenton as a stop-over, because it is half way between Ottawa and Toronto, and would serve a growing community of about 350,000 people in the Kingston-Cobourg corridor who want the service. Industrialists in the area sometimes complain to me that their means of access to Montreal and Toronto is inadequate. True, they can use the train, but the Via CN train service is not yet operational. The people of the area need an air service to link them with major air services departing for overseas points from Dorval or Toronto international. At present businessmen must either drive a car, or take a train. An industrialist in Belleville told me recently that when he returned from his trip overseas, his parking charge was approximately $38. Surely that $38 could have bought him a seat on an aircraft going from Trenton to Toronto or Montreal.

I do not make my suggestion lightly, for I intend to urge the department, with all the strength at my command, to begin such a service. I want to see a regular, commuter airline service serving the points I mentioned. At CFB Trenton we already have one of the finest airports and facilities in all Canada. There is a magnificent landing instrument system in place so that the service should not cost a great deal to install. We would need some facilities on the south side of the main base for civilian use. Some security measures will need to be taken, but there is lots of space. Although I have not had a chance recently to discuss this question with the people at the national headquarters, or with the base commander, I know from my experience in the past that there would be general agreement for such a service. Knowing how anxious the members of our forces are to do what is good for all Canada, not just for the military establishment, I am sure we can get their agreement.

That brings me to my last point, which the hon. member for Vegreville perhaps did not cover in sufficient depth. We did not know this bill was to come forward so soon and he and I have spoken off the cuff, without benefit of the research which would enable us to scrutinize more narrowly and perhaps attack some parts of the bill.

I am concerned about aircraft incidents, and their reporting. I am thinking of accidents. I was intrigued to find that a little document on aviation safety had this to say some time ago:

> Transport Canada has set up an interim aircraft accident review board pending the establishment of an independent transportation accident investigation board which was approved in principle by cabinet in April 1975 . . .

If the cabinet approved the establishment in 1975 of an independent review board, what business has the department in setting up its own board? I disagree with this entirely, and I do not think the department should be setting up its own review board. I am not proud to remember that once I flew an aircraft upside down into a pasture; I walked away from the crash, relatively unhurt. At least, here I stand.

Mr. Fraser: But not unaffected!

Mr. Ellis: I am sure damage was done, but I walked away. The investigation was cursory. I reported the accident to the nearest airport, answered a few questions, and that seemed to be the end of it. Perhaps that was a relatively minor accident which happened many years ago. However, in the accident with which the hon. member for Timiskaming dealt, there was an obvious and definite conflict, in the sense that you can hardly have an impartial review when the body which is going to look into the accident and lay charges arising from it is also involved in the making of regulations.

I point out that in 1974 the hon. member for Dartmouth-Halifax East (Mr. Forrestall) introduced a private member's bill for establishing a permanent and impartial commission whose job would be to look into and investigate transport accidents. The cabinet approved in 1975 the setting up of an independent investigation board. Why did it not act on the hon. member's recommendation?

Although I have not discussed the point with my colleagues, I am sure they will agree to fight long and hard over this bill, as the minister well knows. I realize we are approaching the summer recess. I am aware the government is most anxious to be out of here by the first week of July so that certain alterations can be made to this Chamber. I have no objection one way or the other. My constituency is close. I travel back and forth every week. I can be here on Mondays and Fridays when the House is a little thin, so I am not worried if we stay here all summer. I want to go on record as saying that I intend to debate this bill for a good long time.

● (1230)

We want to induce the minister to take cognizance of the very worth-while bill introduced by the hon. member for Dartmouth-Halifax East. We would like to see that legislation accepted, or a government bill put in place to do that job.

There is a conflict here that has to be resolved. The way to resolve it is obvious; sometimes it is not obvious in other pieces of legislation. I am prepared to spend as much time as necessary to try to convince the minister that this step should be taken.

I see my time is almost up. I close by saying that I have always had a very strong concern with regard to the area of regulation. Canada is a free country. By and large, Canadians are a free people. However, we seem to be faced with more and more restrictive regulations that are very difficult to justify. A number of regulations contained in this bill are difficult to justify. I look forward to dealing with some of them in committee and to receiving a reply from the minister as to whether this area that is so basic and important can be handled in an entirely different way, either the way suggested by the hon. member for Dartmouth-Halifax East or something akin to it, so that we might have a proper review court.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to carry on this debate from where my colleague, the hon. member for Hastings (Mr. Ellis), left off, and to reinforce his plea that all members of this House pay attention to the necessity of establishing an independent board for the examination of accidents involving aircraft in Canada.

In the bill before us, Bill C-40, Section 8 of the Aeronautics Act is amended. It provides authority for the minister to establish a board of inquiry to investigate the circumstances of an accident. It is completely permissive. It does not carry with it the mandatory provision to establish an investigatory board which would be completely independent of the department or the divisions within it.

The hon. member for Dartmouth-Halifax East (Mr. Forrestall) has repeatedly been advocating in this House, commencing in the year 1970, that an independent review board be established. It is a matter of considerable regret to all members of my party that the hon. member, not knowing that Bill C-40 was coming forward today, is unable to be here today to speak on it.

The hon. member for Dartmouth-Halifax East first introduced a private member's bill calling for an independent board to investigate accidents on October 20, 1970, Bill C-66. The substance of that bill has been in front of the House ever since, once as Bill C-85, subsequent to that as Bill C-333, Bill C-109, and Bill C-226. It was debated in the House on April 1, 1977 as Bill C-220. The opening of that debate is reported in *Hansard* for April 1, 1977, at page 4581.

If you look at the debate which the hon. member for Dartmouth-Halifax East led on April 1, 1977, you will see that the arguments in favour of an independent board are overwhelming. The arguments were so well stated at that time by the hon. member that, in the reply on behalf of the government by the Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. Gauthier), the following was said, and I shall quote his reply. Under the circumstances I think this should again be placed on the record for hon. members on the government side. This is the spokesman for the government putting forward the government's view of the hon. member's private bill calling for an independent tribunal. I ask all hon. members to pay attention to this, especially members on the government side.

The parliamentary secretary said, and I quote:

> At the outset I wish to thank the hon. member for Dartmouth-Halifax East (Mr. Forrestall) for his patience and co-operation with us in dealing with this bill concerning the creation of an organization for impartial investigation of transport accidents. He must be setting a parliamentary record of sorts as this is, I believe, the sixth time the bill has been considered at private members' hour. However, unlike many other bills that are presented, the objective of this bill does command broad support from all parties, and we wish it to receive further consideration.

I emphasize that because the government is now on record as supporting in principle the substance of the bill which the hon. member for Dartmouth-Halifax East submitted to this House, as the parliamentary secretary pointed out, six times.

We have before us Bill C-40 which, as the hon. member for Vegreville (Mr. Mazankowski) said, is a multifaceted bill. There was no reason why the substance of the private bill to which we have been referring could not have formed part of this bill. There is no excuse in the world, especially now that the government has indicated it supports the substance of that bill in principle.

I do not have to tell anyone in this House how often the media and the public laugh at the whole situation of the private members' hour. However, when a private member, no matter from which side of the House, brings in a bill six times, and the substance of it meets with the approval of the government, it seems incredible, when there is an opportunity to put the substance of that bill into a bill put in front of the entire Chamber, that it is ignored. No doubt somebody from the government will say it is still being considered. The question is whether it is being considered sincerely, whether the government's words that it supports it in principle are sincere. I notice the Minister of Transport (Mr. Lang) is indicating by nodding his head that they are considering it sincerely.

● (1240)

Mr. Lang: Would the hon. member permit a question? I appreciate his reference to the investigation review board and to the government's commitment to it. I wonder if he recalls, first of all, the announcement of the interim board, which was clearly a step pending the development of the legislation to provide for an over-all, independent investigation review board. In his reference to the possibility of including a provision here, would he not agree that it is desirable to broaden the scope of the application to cover aspects other than air and that this would be a good reason to come forward—an early date, I agree—with a bill rather than an amendment to the Aeronautics Act?

Mr. Fraser: I thank the minister for his intervention. It might well be that what he suggests is appropriate. I am just reminding him and members of the government that this has now been under consideration since 1971—there are many references to it in the record. If the minister's remarks are to be taken as an indication of his own concern, and the concern of the government, I welcome them and thank him for his intervention. But so that neither he nor any other member of the government may forget when this debate is over the assurances which have been given, let me remind them they are on record as supporting the principle of the bill put forward by my hon. friend from Dartmouth-Halifax East.

Let me recall that in the Speech from the Throne of September 30, 1974, reference was made to the intention to establish an independent accident investigation board. Then, in May, 1975, the minister of transport of that day assured the House that his department was "exercising pressure on the government House leader to bring in legislation as soon as possible". In October of 1975 the present Minister of Transport said in response to a question in the House that work on the legislation was "going forward". Later, on December 2, 1976, the matter was raised again at a meeting of the standing committee when questions were directed to the deputy minister, who said that the matter of an independent accident investigation board was still under consideration in the department. He added that a memorandum to the cabinet should be ready in six to eight weeks, in other words, by the end of January, 1977.

I take it from what the Minister of Transport has just said that the government is finally taking this matter seriously. It is my plea to the minister, and to all hon. members, to maintain reasonable pressure on the government to bring forward this legislation, or take immediate steps to consult with members on this side and, perhaps, with members on the government side who support the principle, with a view to bringing about any necessary fine point adjustments in the private bill standing in the name of the hon. member for Dartmouth-Halifax East. That bill could then be sent to committee, and brought back to the House for passage.

It has been a privilege to take part in this debate. This in an issue in connection with which the hon. member for Dartmouth-Halifax East has worked diligently and with great concern over a number of years. It would appear from the minister's remarks that this long and diligent service in a necessary cause may at last come to fruition, and I am sure hon. members generally will join with me in applauding the efforts of my hon. friend in this regard.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to take part in this debate in order to supplement representations I have made to the minister by way of correspondence in relation to the topic I have in mind—I refer to the Mount Hope airport which serves the area I represent.

Bill C-40 gives me an opportunity to do this because it would provide the minister with extended authority in connection with planning development around airports and certain of the facilities required in connection with the expansion of airports. Almost a year ago the minister appointed an ad hoc committee, composed of representatives of various municipalities surrounding Mount Hope, to consider whether a new site should be allocated to serve Hamilton and my area, or whether the facilities at Mount Hope should be extended. The minister has had the report in his hands for some time, and everyone in my area is wondering why no decision has yet been announced.

The report says that Mount Hope could be expanded. We are wondering why he has given no indication as to what he

intends to do. This is a matter of particular significance to the municipalities which I have the honour to represent because should the minister, for some unknown reason, decide to select a new site, he will be upsetting the regional plan for the Norfolk-Haldimand region which I represent. Officials and municipal representatives have been working for almost a year to bring out this plan and, as I say, it would be totally upset were the minister to decide of another location for the airport. The mayor of the Township of Haldimand, Mr. Dave Pearson, spoke to me some time ago asking me to do all in my power to persuade the minister to make an early decision, hopefully, to expand the airport at Mount Hope.

The need is urgent since more sophisticated electronic equipment for instrument landing is badly needed at Mount Hope. Many a time I have stood at the airport there waiting for a plane to come from Windsor or Pittsburgh, or Ottawa or Montreal, only to see the airplane make a pass at the airport, find the fog too dense to land, and fly on to Ottawa or Malton where suitable installations were in place to enable a landing to be made. This caused personal inconvenience, but I was only one of many who were unable to get aboard.

Expansion of the facilities is necessary to serve not only the great industrial city of Hamilton, and the Niagara area, but also to meet the needs of the new industrial complex which is taking shape in Nanticoke in the midst of my riding. There, Hydro has built the largest thermo-generating plant in North America; Stelco is installing a rolling mill and a totally new steel-making process which will come into operation very shortly. In addition, Texaco Canada is building the largest oil refinery in North America on this site. All these new facilities are looking to be served from the nearest airport, which is at Mount Hope. This being the case, it is surely incumbent upon the minister to get on with the job and let us know when Mount Hope is to be expanded. As I said at the beginning of my remarks, I have written to the minister on this matter. I think I wrote him as long ago as February but have not yet received a reply. We are wondering why a decision has not been announced.

● (1250)

Let us not leave the municipalities hanging in limbo and in uncertainty. Let us say we are going to expand Mount Hope. I have talked to residents living in the little village of Mount Hope, and they tell me they have become accustomed to aircraft landing and taking off. Many of them live there and do not even notice it is happening. In addition to that, there are new homes which have been built in that village with full knowledge that the airport was there. Therefore the argument cannot logically be made that it is going to do any great harm to the local residents in the immediate area of Mount Hope. This is where the ad hoc committee is going to recommend to the minister that the least resistance is coming from in that particular area, so let us get on with Mount Hope.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a few things I want to say on Bill C-40. Let me say at the outset that one of the difficulties and dangers we are facing in Canada is the continuous build-up of bureaucratic boards and tribunals, and the build-up of power in the hands of the minister or the governor in council to regulate or change regulations, without reference to parliament and without provisions for appeal. The regulations have the force of statute and remove from parliament much of its power and authority. There is no reason, in my mind, why regulations cannot be attached to legislation, debated, and be examined by a committee before the legislation proceeds to its final stages. In Bill C-40 we see a move away from this direction once again.

I want to read into the record a letter I received from a constituent, on the contents of Bill C-40. This gentleman is an aviation consultant, and his letter to me covered the bill so completely that I think it is proper to read it into the record in its entirety. The letter is dated May 3, and it reads as follows:

Dear Mr. Kempling:

BILL C-40, AN ACT TO AMEND THE AERONAUTICS ACT

On March 9th, 1977, Bill C-40 was given first reading in the House of Commons in an effort by the government to effect certain amendments to the Aeronautics Act that would result in the provision to the Minister of Transport powers that would have far-reaching consequences for the aviation community. I have read this bill carefully and I have grave concerns over its content and the ultimate effects to the Canadian people should it become law.

For several years, Transport Canada has been attempting to implement a full cost-recovery program with respect to the utilization of airport and aviation facilities in Canada, and on page 1, paragraph 2, you will find legislation proposed that would empower the minister to impose charges for airport facilities and services. If the existing Aeronautics Act is not appropriate for these purposes, then one must ask about the minister's authority to levy the current charges. It may well be that Transport Canada would find it easier to implement its own charges under this proposed legislation without involving Treasury Board, and this may be the case. If so, then this amendment would not be in the best interests of Canadians or the government that represents them. A minister should not be allowed to set up his own charging schemes without opportunity for scrutiny by the House and Treasury Board. In recent years, we have become increasingly concerned over the high cost of administrative activities within Transport Canada that seems to drain the minister's resources, not to mention the operational cost and debt that is attached to Montreal's Mirabel airport, and this new attempt by the minister to establish his own authority for the setting up of user charges cannot be allowed to take place.

Further, in this section 5, you will find the following subsections which, I believe, encroach upon the rights of all Canadians:

> Subsection 2 provides that owners and operators of aircraft may be required to deposit security with the minister to ensure full payment of charges to be imposed upon such owners and operators in the next following year.

Since all pilots, duly licensed, are, in fact, operators when they are at the controls of an aircraft, this legislation would mean that the minister could force every pilot in Canada to place a bond or cash on deposit with his office before re-issue of the pilot's flying licence could take place each year or every six months, depending upon the type of certificate held, even if there was no planned intent by that pilot of requiring use of those airports and/or facilities which might attract payment for services. What about the thousands of pilots who fly for recreation and personal transportation and never use DOT facilities? What about the thousands of Flying Farmers whose aircraft are operated solely from private aerodromes and often are not even equipped with the avionic equipment necessary for operating into and out of DOT airports? Should these Canadians be forced to deposit $100 or $500 each year as a security bond? That would be ludicrous!

In these regards, what has happened to the accepted manner of doing business of paying for goods or services rendered when those goods or services have been provided to the satisfaction of the customer? Just because one might consider buying a certain commodity, should that person be required by legislation to place on deposit a security bond for the, as yet, unpurchased commodity? Will the minister's wishes be granted and he be allowed to force every pilot to place a

deposit with him, and if so, will not the income tax department be next? We all know for—

I have to read the writing here.

An hon. Member: You had better start writing your own stuff.

Mr. Kempling: No. This is an excellent letter which gets to the heart of this matter. It continues:

We all know for almost certainty that we will have to pay personal income tax next year. Would it not be nice if the income tax department could force us all to remit in advance rather than as we earn the income as is the present practice? One can, of course come up with all kinds of silly examples in these regards, but the plain, simple fact is that this proposed legislation is stupid.

May I call it one o'clock?

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AND CORPORATE AFFAIRS

FOOD AND AGRICULTURAL POLICY—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity, namely, the meaningless food strategy for Canada statement presented to the House of Commons on Friday, June 10, by the Minister of Agriculture and the Minister of Consumer and Corporate Affairs. Because of the importance to Canada of a well thought-out food and agricultural policy, and because the government, through its policy statement, has clearly shown it does not have such a policy, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That a special House of Commons committee be formed to study and report back to parliament their findings on a national food strategy for Canada.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Kempling.]

GOVERNMENT ADMINISTRATION

APPOINTMENTS BY ORDER IN COUNCIL—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity. It is based on a study done by Douglas Nixon on order in council appointments made by this government since 1968. He found that at least 200 of the order in council appointments since 1968 have gone to former Liberal candidates in federal and provincial elections, or their spouses. The study did not include the big plum of the Senate appointments or appointments to the prime minister's staff or cabinet ministers' offices. Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the subject matter of the Douglas Nixon study be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

PROPOSED INTRODUCTION OF BILL TO ENSURE ANNUAL GUARANTEED INCOME—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that the number of unemployed is constantly increasing and that minumum wages which vary from one province to another are unlikely to solve that serious problem, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House urge the Minister of National Health and Welfare (Mr. Lalonde) to introduce immediately a bill for the establishment of an annual guaranteed income to give decent living conditions to every Canadian citizen and enable those who can do so to work without being penalized as is the case in the social legislation now in effect.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*English*]

CANADIAN BROADCASTING CORPORATION

ALLEGED DISRESPECT IN COVERAGE OF HER MAJESTY'S SILVER JUBILEE CELEBRATIONS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the failure of the Canadian Broadcasting Corporation to provide live coverage of the jubilee celebrations for Her Majesty, the Queen of Canada, which other North American networks managed to do, and of its failure, once it began to carry the program, to do so without a breakdown—a technical shortcoming that other networks, whether in Canada or the United States, did not experience—and in view, further, of the attitude of many of the CBC announcers and program directors, epitomized, perhaps, in the needlessly disrespectful program on Sunday morning satirizing the entire jubilee festivities, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That an investigation be ordered into the CBC's technical and program activities related to these incidents to determine where responsibility lies for thus downgrading and otherwise undermining one of Canada's most revered and honourable institutions.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Standing Order 43 requires unanimous consent of the House for the presentation for debate of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGED ILLEGAL ACTIONS BY FORCE—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter that I believe is becoming more urgent every day. In view of the continuing concern over the role of the RCMP in the following matters, the illegal break-in at L'Agence de Presse Libre in Montreal, allegations surrounding the Praxis break-in in Toronto, allegations of illegal bugging given at the inquiry in Edmonton, the conviction of RCMP officer Samson in Montreal, the inquiry into RCMP activities in New Brunswick, and in view of the information revealed by the CBC last night of the growing influence of organized crime in Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House recommends a royal commission to be commenced into the question of political control over the RCMP, either in camera or otherwise as may be appropriate, and further that the specific role of the RCMP as previously referred to in the motion be included in the subject of the inquiry.

Mr. Speaker: Presentation of such a motion for debate under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

APPOINTMENTS BY ORDER IN COUNCIL

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question to the Acting Prime Minister relates to the research study published this morning which states that since 1968 some 200 ex-Liberal candidates or their spouses have been appointed to a variety of positions within the Canadian judiciary, regulatory agencies and the public service. No one pretends that this is a complete list. I should like to ask the Acting Prime Minister whether he and the government condone this type of massive patronage, and whether this administration plans to continue a patronage policy which in effect will allow loyalty to the Liberal party to be such a primary qualification for appointment to public positions?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I do not regard the facts the hon. member refers to as constituting massive patronage.

Some hon. Members: Oh, oh!

An hon. Member: What would you call it?

Mr. MacEachen: Since 1968, I understand that on average the governor in council has made 600-plus such appointments per year.

An hon. Member: Give us the whole list, then.

Mr. MacEachen: When you look at the list of persons, whom I regard as highly qualified, the result shows considerable restraint.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I presume the Acting Prime Minister is saying that one or two former Liberal candidates might have been overlooked. I am sure he will consult their qualifications and find some useful reward for them. This, clearly, is a government that relies upon the practice of patronage, to the detriment of the public service. One of the aspects which concerns us very much is the effect of these political appointments to regulatory bodies and appeal agencies that are presumed to be and can be respected only if they are independent of the political party that is in office.

I ask the Acting Prime Minister, who has now defended this practice of patronage and indicates that it is intended to continue it as usual, to tell the House how the people of Canada can be guaranteed that regulatory and appeal agencies will be able to function free of suspicion and bias when so many members of those regulatory and appeal agencies are affiliated with the political party which forms the government whose actions are being regulated or appealed?

Mr. MacEachen: Mr. Speaker, the Leader of the Opposition has a good point when he raises the question of the competence of individuals who may be appointed. I have never thought that participation in the public life of Canada should constitute a bar to appointments in various aspects of the public service. I have no hesitation in saying that I believe, experience gained in public life often constitutes a useful "plus" in the filling of these appointments. If you examine the list of persons enumerated in this morning's newspaper, you will find a collection of talented people who may have served in the Liberal party. They may have been ministers or candidates. At the same time, they should not be barred from public service. Among the persons on the list to which the hon. member referred are appointees to the courts. I do not think the hon. member would suggest that persons appointed to the courts by either party would demonstrate, or in the past have demonstrated, any bias in their work.

I believe the same judgment applies to those who may be appointed to regulatory agencies. Perhaps I have a little longer memory than the hon. member has, because I was in the House when the right hon. member for Prince Albert used to appoint eminent gentlemen of the Conservative party to such bodies.

Mr. Clark: Mr. Speaker, may I ask another supplementary question? I cannot dispute the length of the memory of the Acting Prime Minister. Indeed, the length of that memory has probably contributed to the appointment of a number of the people whose qualifications we have some cause to question.

Some hon. Members: Oh, oh!

An hon. Member: Name one.

Mr. Baker (Grenville-Carleton): You are really feeling the heat on the government side.

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, nobody would dispute that participation in public life should not be a bar to those kinds of appointments. The question is whether participation in public life during that intensive two-month training period which people go through as candidates in the losing cause of the Liberal party should in itself be regarded as the only qualification for appointment to the public service. I notice the Acting Prime Minister avoided, or tried to put aside, the question of the reputation of freedom from bias of regulatory agencies and appeal bodies. I should like him to address his mind to the response to this question: How are we going to guarantee that the reputation or independence, so essential for regulatory agencies and appeal bodies, will be safeguarded when so many members of those bodies have been appointed for reasons which, on the face of it, appear to relate strongly—too strongly—to political loyalty to the party whose decisions as a government are being appealed or regulated? How are we to have that safeguarding of the reputation of bodies which, unless known by the public of Canada to be functioning independently, are not able to do their jobs?

Mr. MacEachen: Mr. Speaker, I believe the strongest guarantee against such evidence of bias is the integrity of the persons appointed. I do not think there is any other guarantee.

Mr. Baker (Grenville-Carleton): That is the point.

Mr. MacEachen: I have already referred to appointments to the judiciary. I think it is the experience of all of us that when you select persons of integrity, as we attempt to do, for that work and for other regulatory bodies, they shed their bias and do their job in the public interest. If the hon. member has any evidence to the contrary, I am sure he will bring it to the attention of the government.

● (1420)

Mr. Clark: What is of concern to us is not so much the integrity of the individuals appointed as the integrity of the government appointing them.

Some hon. Members: Hear, hear!

Mr. Clark: We on this side of the House question that. Another aspect on which I would like to allow the Acting Prime Minister to try his hand, if he will, is the matter of Crown corporations. The list this morning indicates—again make it clear that it was not a complete list—that that has been a guiding factor, to say the least, in the appointment of members to the boards of directors of Crown corporations in this country. In recent months there has been much concern about the efficiency and the regularity, in some cases, of the operation of Canadian Crown corporations. Can the Acting Prime Minister in his eloquent, long-minded, long-memoried, defence of patronage tell this House and the people of Canada so that they can have a guarantee that Canadian money will not be wasted and that Canadian policy will not be made badly by boards of directors of Crown corporations when they are appointed, not because of their knowledge of the subject matter with which that Crown corporation deals but because of their loyalty to the Liberal party of Canada.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I think the Leader of the Opposition and I disagree on that point. I believe these persons are selected on the basis of the contribution they make to the work of the public service. I must say that when I looked at the list this morning I was quite impressed with the quality of persons who were available for this kind of service in Canada. The hon. member should keep this in perspective by recalling

the fact which I mentioned earlier, namely, that on the average about 600 such appointments are made per year. If the list is complete—and the hon. member would know that better than I—then it constitutes a relatively small portion of the total number of appointments.

GOVERNMENT POLICY RESPECTING APPOINTMENTS TO PUBLIC SERVICE

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Undoubtedly, this morning's newspaper report also missed the rolls of Liberal campaign managers, bagmen, PR men and party hacks of various descriptions. My question to the Acting Prime Minister is simply whether it is government policy to create a partisan public service. If not, will he at the earliest opportunity be bringing under the Public Service Commission the bulk of order in council appointments to prevent this from happening?

Mr. Speaker: Order, please. The hon. member for New Westminster.

Mr. Murta: A supplementary, Mr. Speaker.

Mr. Speaker: By the most basic definition of supplementary questions, they must arise out of the response to the original question.

* * *

ADMINISTRATION OF JUSTICE

CBC PROGRAM ON ORGANIZED CRIME

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General. Yesterday's CBC program on organized crime revealed that the major chemical drug capital of the world world—I think those were the words used—was Toronto. In view of the responsibility of the RCMP in terms of narcotic control, will the Solicitor General advise whether any charges have been laid in the past with regard to the operation which the CBC seemed to be able to get inside of and take pictures? If no charges have been laid, can he explain why no such action has been taken in the Toronto area?

Hon. Francis Fox (Solicitor General): As the hon. member knows, the RCMP is widely engaged in the fight against organized crime not only in Toronto but throughout Canada. The RCMP takes part in the fight against organized crime particularly through joint force operations which includes the joint use of all personnel and equipment against selected targets. This type of operation has led to charges being laid against numerous people believed to be involved in organized crime throughout the country. As far as the drug trade in particular is concerned, one of the main objectives of the RCMP is the fight against the importation of narcotics, particularly heavy drugs, and I think that just by day to day reading of their newspapers hon. members know the extent to which this type of work is carried on by the force. There are a number of ongoing investigations by the RCMP into the drug trade in all provinces but I am sure the hon. member does not wish me to divulge the type of investigations which are going on at the moment.

Mr. Leggatt: I should like the Solicitor General to zero in on the question which was asked. He has given us a non-responsive answer. I asked him about one specific operation. Apparently the U.S. food and drug administration knew so much about it they were able to provide slides to their operatives showing the way in which Toronto was supplying illicit drugs to the world. The question I asked was this: Have any charges been laid by the Ontario authorities or by the RCMP with regard to that specific operation, or would the minister at least contact the CBC, without wire-tap help or any other help we know except their own investigative ability as to how they were able to receive so much information while no charges appear to have been laid by our own police force?

Mr. Fox: I suppose the hon. member's question is also a plea in favour of the amendments presently before the House in Bill C-51 which seeks to provide to police forces of this country additional help in their investigations of this particular type of crime.

Some hon. Members: Oh, oh!

Mr. Fox: The hon. member referred to information which was provided to the CBC apparently by drug enforcement officials in the United States. We are continuously in touch with these people. As to the question of the laying of specific charges, I would want to check the present state of the affair before giving a specific answer.

Mr. Leggatt: The Solicitor General refers to bugging powers. The police have this power, it was granted by this House in 1973. They had all the bugging powers they needed with regard to that operation. I am still interested in the question as to why no charges seem to have been developed, and the Solicitor General has not been responsive to that inquiry. Therefore, we had better ask ourselves whether additional powers are needed, considering we have already granted them. On June 9 the Solicitor General revealed—this deals with bugging by the RCMP—that he was filing an affidavit at the hearing in Edmonton before Mr. Justice Laycraft to prevent relevant evidence going before that inquiry on the grounds of national security, under section 41(2). Is the Solicitor General now willing to give an absolute commitment to the House that the affidavit did not relate in any way to bugging, illicit or otherwise, in relation to people involved in that inquiry?

Mr. Fox: As to the first part of the question, the hon. member obviously feels it would be my job to determine why, when and at what stage the RCMP ought to lay charges in a case. It has not been my practice to interfere with the day to day operations of the RCMP but, rather, to let the RCMP develop the case, as a police force ought to do in a democratic

society, and to lay charges when the relevant evidence has been brought forward. The hon. member, coming as he does from British Columbia, ought to know the extent to which wire-tapping is necessary in completing inquiries, particularly into the importation of hard drugs, into the province and the high rate of success the force has had in dealing with the problem as a result of these investigational aids. As to the question concerning the affidavit I filed in the Alberta inquiry, I filed one affidavit under section 41(2), having read the document myself, and it in no way relates to the inquiry presently being undertaken in that province.

● (1430)

I have signed a second affidavit, under section 41(1) of the Federal Court Act, which brings to the attention of the inquiry certain documents and leaves it up to the discretion of the court to decide whether or not those documents ought to be made public.

* * *

[*Translation*]

SOCIAL SECURITY

PROPOSED INTRODUCTION OF BILL TO ENSURE GUARANTEED ANNUAL INCOME

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. He guessed it, because he is resuming his seat.

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

Mr. Lambert (Bellechasse): The minister says that he always guesses. Here is my question: Since the Department of National Health and Welfare as well as the provincial ministers and health officials have been considering for a few years the possibility of establishing a guaranteed annual income plan—many documents have been sent to us on the matter—would the minister be in a position to tell the House whether all these studies and discussions which have taken place with the provinces will come to a head soon; will the minister introduce a bill to this effect in the near future?

Mr. Lalonde: Mr. Speaker, a great many studies have been conducted with the provinces. During the last federal-provincial conference, all provinces approved this plan, except one, Ontario, which opposed the suggested formula. Since then, we have been examining various other possibilities for the development of a form of guaranteed income, especially for underprivileged workers.

These studies of other alternatives are not yet concluded; but I hope they will be this year. I am not in a position at this very moment to give the hon. member an assurance that a bill will be introduced in the House in the very near future.

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

[Mr. Fox.]

In view of the answer he just gave, could the minister indicate if a divided bill could be presented and adopted by the House concerning particularly the underprivileged workers, notwithstanding other sectors upon which the governments are disagreeing?

Mr. Lalonde: Yes, Mr. Speaker, this is in fact one of the alternatives now being considered, that is the possibility to initiate a program concerning underprivileged workers.

Once again, I must say to the hon. member that he must not expect such a bill to be submitted in the coming months. I hope to table in the House, next week or even this week the new legislation on social services. This is the first priority that we will submit to the House, that is to say a great improvement of the cost sharing formula for social services in Canada. This legislation is a major step in the revision of social security and once again, I hope to be able to table it this week.

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary. In view of the answer of the minister with regard to the lack of agreement on the part of the province of Ontario, can he tell the House whether there is agreement with the province of Quebec? If on the contrary there are difficulties what are they?

Mr. Lalonde: Mr. Speaker, there was agreement with the Quebec government on the basic formula proposed in June of last year. Since then, I have not been advised to the contrary, I therefore presume that it still agrees with that formula.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have one supplementary question in order to clarify the minister's timetable. Did I understand him to say, in terms of priority, that the social services legislation would be introduced next week? I would bring to the minister's attention that I am under the impression from the chairman of the Standing Committee on Health, Welfare and Social Affairs that amendments to the Canada Pension Plan will be introduced at committee stage on Wednesday, June 15. Can the minister clarify this position for me, so that we can be prepared?

[*Translation*]

Mr. Lalonde: With pleasure, Mr. Speaker. The amendments to the Canada Pension Plan will be studied by the standing committee this coming Wednesday, I believe, and we hope they will be passed by the House in the near future. As for the act on social services, it will be brought in for first reading this week, I hope.

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS MADE IN CBC DOCUMENTARY "CONNECTIONS"

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Justice. Given the startling revelations and allegations made in the CBC docu-

mentary "Connections" last night, can the minister say when we can expect a statement by him as to the extent of organized crime in Canada? Could I ask him if he saw the program and, as a result, did he meet with his officials this morning to discuss what new initiatives might be taken to control these criminal abuses against Canadian society?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I watched the program with a great deal of interest and would generally like to commend the CBC for bringing the matters of organized crime in this country to the attention of the public.

Some hon. Members: Hear, hear!

Mr. Fairweather: Is someone applauding the CBC? We had better have another inquiry.

Mr. Basford: However, a great deal of the program, as far as I could see, was taken from testimony obtained by wire-tap evidence in the Quebec crime inquiry. It is for that specific reason that attorneys general have been recommending for three years that the wire-tap laws of this country be changed so that they can deal more effectively with organized crime. With regard to the passage of the provisions of Bill C-51—

Some hon. Members: Oh, oh!

Mr. Basford: —the most important initiative this parliament could take would be to pass those initiatives as quickly as possible.

Mr. Fraser: That is a cheap shot.

Mr. Baker (Grenville-Carleton): It does not wash.

Mr. Fraser: You do not know what you are talking about.

Mr. Basford: The hon. member for Vancouver South says that I do not know what I am talking about.

Mr. Baker (Grenville-Carleton): There is nothing wrong with your hearing.

Mr. Basford: I am quoting the annual reports from the ten provincial attorneys general, all of whom have recommended these kinds of provisions.

Mr. Fraser: When did you ever defend in a criminal court?

Miss MacDonald: Mr. Speaker, I might say the minister's response is more by way of an excuse rather than to give an explanation as to what the federal government is doing at this time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Miss MacDonald: Could I ask the minister to respond to the question I put to him originally, as to when we can expect a statement from him about the extent of organized crime in Canada, or will he just depend on what is told him by provincial attorneys general?

Mr. Basford: Mr. Speaker, it would seem to me to be more useful, in dealing with organized crime, that we have legislation rather than statements.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my supplementary question to the Solicitor General is this. Would he make recommendations to his colleague to view the second half of the program which will be shown tonight?

Mr. Basford: Mr. Speaker, I am not sure to whom that question was directed.

Mr. Clark: Duck it anyway, Ron.

Mr. Basford: I certainly intend to watch the second version, and I would ask members of the House to do so, particularly members of the Standing Committee on Justice and Legal Affairs.

* * *

CONFLICT OF INTEREST

ACTIVITIES OF SENATOR DAVEY RESPECTING CERTAIN COMPANIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Agriculture. I should like to ask the hon. gentleman if he is now in a position to convey to the House any of the information requested by my colleague, the hon. member for Saskatoon-Biggar, with regard to the connections and activities of Senator Keith Davey or his company, York Sporting Investments, vis-à-vis Blue Water Racing Associates Ltd., incorporated on April 16, 1975, with the chief place of business in London, Ontario.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, not a complete report, but I am sure one will be completed in a day or so. I know from the preliminary report that the so-called raceway operated, I believe, one year and lost $70,000.

Mr. MacKay: Mr. Speaker, the raceway is behaving like the government in this respect.

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, since the Acting Prime Minister referred in his answer last Friday to the green paper in connection with conflict of interest problems in this matter, I should like to ask if he can indicate whether Senator Davey has been content with the perks of the Senate in so far as his dealings with the government of Canada are concerned, or whether the senator or any of his companies are involved in any business enterprises which are also deriving revenues from doing business with the government of Canada.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have no information on that subject.

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● (1440)

ADMINISTRATION OF JUSTICE

CMHC—LIBEL SUIT INITIATED BY EMPLOYEE AGAINST SOLICITOR GENERAL

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Solicitor General of Canada. Is the Solicitor General aware that Ian Keith Carruthers of CMHC, one of the public servants who is alleged to have been named in the infamous letter by his paranoiac predecessor, has now issued a writ in the courts suing the present Solicitor General for libel and for negligence, and also joining in that suit the minister's predecessor, the Minister of Supply and Services? Is he aware of that, and has that writ been served upon him as yet? Furthermore, would he make himself available for service?

Hon. Francis Fox (Solicitor General): Mr. Speaker, no writ has been served on me in connection with that. A few hon. members have been nice enough to forewarn me that that seems to be in process.

CRIMINAL CODE—POSSIBLE OBSTRUCTION OF JUSTICE BY GOVERNMENT MEMBERS OR EMPLOYEES RESPECTING BREAK-INS, ETC.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Justice. Has the minister examined the provisions of the Criminal Code dealing with obstruction of justice and the jurisprudence under that section in order to see if members of the government at any level, or anyone with knowledge of such offences as break-ins, have done nothing and have not revealed the facts which were brought to their attention, in order to see if criminal charges could be brought against them? Has the minister examined that section, and if not, does he intend to do so?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, that section and its application have been examined with reference to the various instances in which a number of Crown officers either federal or provincial have been involved.

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LABOUR CONDITIONS

SYDNEY STEEL PLANT—PAYMENT OF UIC BENEFITS TO EMPLOYEES—SUGGESTION CNR ACT TO PREVENT SHUTDOWN

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Acting Prime Minister. The Sydney Steel Corporation has announced that it will close down its plant for five weeks commencing July 1. In view of the fact that unemployment in the area of the plant is running near 25 per cent, and in view of the fact that many of the steelworkers will go two weeks without vacation pay or UIC benefits, will the cabinet instruct the CNR to buy and stockpile rails so that this shutdown does not have to occur?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the hon. member's question is in the nature of a representation, which we will consider.

CNR ACTION TO ALLEVIATE EMPLOYMENT SITUATION—DISCUSSIONS WITH SYSCO

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is to the Minister of Transport. Since even steelworkers with 25 and 30 years' seniority at the plant will be affected because the company scheduled vacations earlier in the year so that too many vacations would not occur at the same time, will the Minister of Transport advise the House if he has requested the CNR to give special consideration to SYSCO to avert this situation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have drawn the problems of SYSCO to the attention of Canadian National and I believe some discussions have been held. In addition, more discussions will be held to see what can be done. The Canadian National management is extremely sympathetic to the problem.

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ADMINISTRATION OF JUSTICE

ORGANIZED CRIME—REQUEST THAT ROYAL COMMISSION STUDY SITUATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I wish to direct a question either to the Solicitor General or to the Minister of Justice. I have listened to the various questions and answers in connection with the revelations last night, and I must say that I am perturbed by the indifference shown by both ministers.

Some hon. Members: Shame.

Mr. Diefenbaker: Only recently it was said that Canada was a happy hunting-ground for international thugs. Having regard to recommendations made some years ago by Judge Macdonald and his commission in Windsor, and also having regard to the crime commission meetings in the province of Quebec which did a magnificent job, it is apparent that the problem has become overwhelmingly difficult for the government of Canada, and apparently for the ministers. Under the circumstances, and in order to clarify the whole situation, will the government appoint a royal commission, as recommended eight years ago and also as suggested by the Quebec commission, so that Canada will cease to be, among the western nations of the world, a country in which international wrong-

doers and criminals can carry on with a higher degree of impunity than they can in any other part of the world?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not accept the right hon. gentleman's suggestion about indifference. We in this government have been concerned about organized crime for some time. We co-operated fully with the crime inquiry in the province of Quebec. The last round of Criminal Code amendments indicated that we were prepared to give statutory form to provincial crime inquiries, but as a result of the decision of the Supreme Court of Canada such amendments were unnecessary. It has been generally felt by law enforcement officials and others that such an inquiry is most effectively conducted by provincial attorneys general who have within their hands the administration and enforcement of the Criminal Code. The Quebec inquiry is an example of the type of action which is suggested. Contrary to indifference, no one on this side has made the kind of statement we heard on television last night. The hon. member for Northumberland-Durham has said that there is no organized crime in Ontario.

An hon. Member: Don't be such a cheap politician.

An hon. Member: That was five years ago.

Mr. Basford: It is as a result of the recommendations of and the consultations with the ten provincial attorneys general representing all parties in Canada that we proposed in this House changes in the wire-tap law. Law enforcement agencies across this country have said that they are hampered in dealing with the organizers of organized crime. Rather than looking for parliamentary pyrotechnics, I hope the right hon. gentleman will see that that legislation is passed.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: We have not listened to an example of pyrotechnics on the part of the minister; we have listened to the usual alibi that he adopts. Let us face the fact that international crime covers all of Canada and that the attorneys general have jurisdiction only within their provinces. I come back to this simple question: Will the minister follow the recommendations of two commissions and set up a royal commission so that wherever the wrongdoers are, they will not be concealed either directly or indirectly?

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

Mr. Baker (Grenville-Carleton): No answer.

Mr. Diefenbaker: The question should be faced.

Some hon. Members: Oh, oh!

Mr. Basford: Mr. Speaker—

Mr. Clark: You flushed him out.

Mr. Basford: The right hon. gentleman did not ask a question; he simply repeated a previous comment. I answered previously by saying that it is the advice of law enforcement officers that such an inquiry is best conducted at the provincial level by provincial attorneys general. I will be meeting with provincial attorneys general shortly. If they should make such recommendations, I will consider them. In the meantime, I am saying to the right hon. gentleman that it seems to be preferable to accept the advice of every law enforcement agency in this country and amend the Criminal Code in the way suggested by this government, so that the law enforcement agencies of Canada can more effectively deal with organized crime.

Mr. Diefenbaker: Is the minister covering up?

Some hon. Members: Oh, oh!

An hon. Member: Go back to London.

CBC TELEVISION PROGRAM ON ORGANIZED CRIME—GOVERNMENT REACTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, would the Minister of Justice address himself to the fact that several aspects of last night's film dealt with areas which are clearly of federal responsibility—loan-sharking, the whole aspect of narcotics control, and so on—and that the wire-tapping provisions the minister so highly recommends to us have been found unacceptable in the United States, and yet in the United States they have been able to deal with these issues more forthrightly than this government?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, it appears that part of the hon. gentleman's question is correct. On the basis of various reports, including that of the Quebec crime inquiry and the work of CLEU in British Columbia, it seems that loan-sharking is increasingly becoming a front-end operation of organized crime. It is for that reason that sections 3 and 20 of the Small Loans Act are included in the wire-tap amendments which are now before parliament.

Mr. Baker (Grenville-Carleton): Your only answer is wire-tapping.

* * *

FINANCE

REPORTED INCREASE IN UNEMPLOYMENT AND INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. With the United States reporting last week its lowest unemployment in 30 months, while Canada has its highest in 37 years, and with inflation continuing to be higher here than in the United States, is the minister in a position today to confirm the finding in OECD material to be released later this month in Paris indicating that worse is in store for Canada, with real growth expected to be below 4 per cent and with high inflation and deficits persisting well into 1978?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the story from which the hon. gentleman has quoted indicated, that material will not be released to us until later this month.

Mr. Fraser: That's pretty good.

Mr. Stevens: Mr. Speaker, as the OECD figures indicate that a further 75,000 Canadians will be added to the one million out of work already during this year and next, maintaining our lead as the number one OECD major country for unemployment, would the minister indicate if this project is enough to cause him to change his budgetary stance and allow a personal income tax cut in this country which could be afforded if there was more government restraint?

Mr. Macdonald (Rosedale): Mr. Speaker, as I pointed out to the hon. gentleman, the figures that that reporter has referred to have not yet been made public. Considering the past performance of that particular reporter, I caution all hon. members to consider with care any of his reports in this regard. I will be participating at the OECD meeting and we will be glad to pursue with OECD officials the analysis, not only for Canada but also for the other OECD member countries.

● (1450)

With respect to the concept of the tax cut, I find the hon. gentleman's representation a little hard to understand, since he voted against one just a few weeks ago.

GOVERNMENT BOND ISSUE—EFFECT ON INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, another question to the Minister of Finance. In view of the data released today regarding the $1 billion fresh bond issue put out by the government of Canada, would the minister indicate if he feels it is inflationary or not that the Bank of Canada, which institution is responsible to him, has purchased a net $178 million of that issue which would appear to be monetizing the debt still further?

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman really plays both sides of the river. At one point he is critical of the government for not taking reflationary steps, for example by running a higher deficit, and the next minute he is insisting we should cut it down. I wish he would get his stories straight one way or the other.

Mr. Stevens: You will not get away with that, Donald.

* * *

ENERGY

NEWFOUNDLAND—HYDROELECTRIC POWER—GOVERNMENT POLICY

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Secretary of State for External Affairs last Monday made a speech in St. John's, Newfoundland, in which he said that the federal government had presented to Newfoundland a "comprehensive package" to develop the hydro power potential of Labrador as a "number one priority" in helping to solve Canada's energy crisis. I ask the minister whether such a comprehensive package has been presented to the government of Newfoundland, and what are the elements of that package? Does it include financing of transmission lines and hydro site work, loans or grants for payment of equity, and does the minister agree that this is a number one priority of the government of Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The principles of the package of benefits and development of generation and transmission of power with respect to Gull Island and with respect to the hydro resources in Newfoundland and Labrador were discussed with the premier and his delegation. At that time it was agreed he would have work done which would be presented to us so that we could take the particular discussion a step further.

Mr. Crosbie: The statement of the Secretary of State for External Affairs, a senior cabinet minister, is that a comprehensive package to develop the hydro power of Labrador has been presented to the government of Newfoundland. The minister of mines and energy of Newfoundland has said that no comprehensive package for the development of Labrador hydroelectric power has been presented to the province by Ottawa. Does the hon. gentleman agree that the Newfoundland minister is correct, that no comprehensive package has been developed, and that his colleague the Secretary of State for External Affairs has misled the public of Newfoundland by the statement he made?

Mr. Speaker: Order, please.

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INQUIRY OF THE MINISTRY

RETURN OF MINISTER OF SUPPLY AND SERVICES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Acting Prime Minister. Can the Acting Prime Minister advise the House of the approximate date of the return of the Minister of Supply and Services, keeping in mind that there are a number of questions which hon. members would no doubt wish to ask that minister? We would not want to be left in the position of thinking that perhaps the minister's visit to another continent would last beyond the expiration of this session.

Hon. Allan J. MacEachen (Acting Prime Minister): I am sure the Minister of Supply and Services will appreciate the hon. member's desire to have him back in Ottawa. I think he will be back at the end of the week.

ENVIRONMENTAL AFFAIRS

ACTIONS OF B.C. HYDRO IN BRITISH COLUMBIA—REPORTED DAMAGE TO ENVIRONMENT

Mr. Bob Brisco (Kootenay West): My question is for the Minister of Fisheries and the Environment, to whom I have given notice. In view of the fact that the inland water directorate of the ministry of the environment bears certain responsibilities for the proper conduct of the Columbia River treaty, is the minister aware of the seemingly irresponsible actions of B.C. Hydro in its control of the lake levels on the upper Arrow Lake which have destroyed the beaches of Nakusp, ruined its tourist industry and created massive mud flats which have now, with the prevailing winds, become enormous dust bowls?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): I thank the hon. member for his courtesy in advising me of his intention to ask this question. The question requires an answer in two parts: first, the responsibility of this department and, second, why the upper Arrow Lake is so low. With regard to the first part of the question, under the 1964 Columbia River treaty, B.C. Hydro has been designated as the Canadian entity for the operation of the resource reservoirs in Canada. The Columbia River treaty permanent engineering board is responsible for ensuring that B.C. Hydro's operations are consistent with Canada's international responsibility under the treaty. The inland water directorate of this department provides technical and engineering support to the engineering board.

On the second question regarding the low levels on the upper Arrow Lake, this is due to the very low run-off in southern British Columbia this year because of low winter snow-packs and early spring drought conditions which extended from western Ontario across the prairies to southern B.C. The upper Arrow Lake is a little higher at this time of the year than the low level experienced in 1973, but the situation is still serious.

Mr. Brisco: I thank the minister for his response. I am aware that the snow-packs are unusually low this year, but this has not been reflected in the levels of Kootenay Lake, controlled by IJC. Therefore, I would ask the minister if he is prepared to take action with reference to the interpretation of the Columbia River treaty, and whether perhaps he is considering, or would consider, the possible reopening of the Columbia River treaty to better protect Canadian interests in this regard.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I will certainly endeavour to take whatever action we have legal authority to take. As for the suggestion of the hon. member, that is not the sort of thing I would answer "à brûle-pourpoint", as we say in French. I would want to take a look at all the facts.

INDUSTRY

TRANSFER OF WESTINGHOUSE, U.S.A., TO WHITE INDUSTRIES

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. It relates to the decision by Westinghouse, U.S.A. to transfer the rights to its name to White Industries rather than CAMCO industries. In view of the fact that the government has been concerned with establishing more Canadian production facilities and a greater rationalization of the appliance industry, and for that purpose has been encouraging the new company, CAMCO, may I ask the minister whether he intends to intervene in this trademark decision or, alternatively, because of the importance of trademarks in regard to Canadian ownership, does he intend to empower FIRA to deal with this critical issue which impedes transfers from foreign to Canadian operations?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, we are dealing here with an extremely complex problem, the trade marks issue, and unfortunately it does not look as if I have the power to take any action at this point, since it is considered as a perfectly legal transaction under the present law that Westinghouse sells the right to its name to White Industries. However, we are considering the situation to see whether it might be appropriate to amend our legislation to avoid such a situation in the future.

• (1500)

[*English*]

Mr. Saltsman: Mr. Speaker, as an indication of the seriousness of this matter, and since the minister has indicated that he is going to study some amendments, may I ask when he will be in a position to announce those amendments or inform the House in this regard?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not know when we will be able to make an announcement about these amendments, if there is going to be any. I can only tell the House how concerned I am about this kind of problem which is somewhat changing the trade practice and tradition in Canada.

[*English*]

TRANSPORT

SINKING OF "WILLIAM CARSON"—REQUEST FOR JUDICIAL INQUIRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Transport which arises out of the very serious charges made by the Parliamentary Secretary to the Minister of National Revenue regarding the sinking of the CN ship the *William Carson*, whereby the hon. gentleman claimed that the present deployment of icebreakers is scandalous and that the sinking of the *William Carson* is an

example of this deficiency. That is a serious charge, made over a week ago, so I ask the minister if it is his intention to order a judicial inquiry into the circumstances surrounding this sinking.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I need not say that I do not agree with the words quoted by the hon. member, however much I respect their source and his conveying them. I will say, however, that it is our intention to proceed with the recommendation for a judicial inquiry.

SINKING OF "WILLIAM CARSON"—COMPENSATION TO PASSENGERS AND CREW

Mr. James A. McGrath (St. John's East): A supplementary question. Is the minister prepared, on behalf of Canadian National, to tell the House if a decision has been made by the company with regard to compensation to the passengers and crew for the belongings they lost through that sinking?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, unfortunately it is not possible to make a complete statement of the situation at this time. I understand the Canadian National is attempting to deal with individual passengers in relation to their personal belongings, but that some rather more complex questions arise in relation to freight and general cargo that involve legal claims and insurance liability. It may take a while to sort out these matters.

Mr. Speaker: Order, please. The hon. member for Davenport rises on a question of privilege.

* * *

PRIVILEGE

MR. CACCIA—PERMISSION TO APPEND COPIES OF LETTER TO *HANSARD*

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, last night, in a program entitled "Connections", reference was made to representations made by me on behalf of a young constituent of mine, an inmate of Millhaven penitentiary. This morning I went through my file on this young man. I have with me copies of letters I have written to the Solicitor General about this case since 1973. I am seeking, now, the permission of this House to have this correspondence printed and appended to today's *Hansard*. Mr. Speaker, I believe that by making these letters public, the record would be set straight.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As much as the hon. member's suggestion is most worthy in support of the proposition he puts forward and in support of his quite legitimate representations on the matter, it is entirely a departure from our practice to extend to members, even with the consent of the House, the authority to table or append documents to *Hansard*. That authority rests with ministers, although not always even with them unless the matter falls within their administrative competence.

With respect, I very much fear that despite the very legitimate reasons for this particular request there would be a very grave danger if—even with the consent of the House—a member was entitled to table or append documents to *Hansard*. Requests to do so would, naturally, increase considerably. I have to take this decision myself. Rather than putting that responsibility, which is a difficult one, upon the House, for I am sure in this particular circumstance no hon. member would want to withhold consent, and rather than putting that extension of our practice upon the House on this occasion, which would invite similar extensions to other members in the future, it seems to me I should, rather, invite the hon. member to make available copies of his correspondence which I am sure explains and supports his position.

We would be happy to arrange for distribution of these through the distribution system of the House of Commons as he desires, and to the press gallery and members of the press including, of course, the CBC which is involved. We will put at his disposal, as we would with any member, whatever services we have to make this distribution effective and immediate. I do not think, however, that I ought to put to the House the choice of extending our practices by appending this correspondence to *Hansard* or printing in *Hansard* as if it has been read.

MR. LAWRENCE—CBC PROGRAM ON ORGANIZED CRIME

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I rise, regretfully, on a question of privilege arising out of the very worth-while and well-intentioned CBC television exposé of internationally organized crime in Canada. I do so at this time mainly because of the reference to this matter by the Minister of Justice (Mr. Basford) and to certain purported remarks of mine as broadcast on that program. I rise regretfully because, as I have informed you, Mr. Speaker, I have attempted and am still attempting to get certain information from the Canadian Broadcasting Corporation respecting the transcript or the full screening of the old interview they showed last night. I may say I think it is a question of privilege because to my mind it certainly damaged me personally and damaged my effectiveness in this House as a member of parliament. I therefore believe it is a matter of privilege for the House.

First of all, may I say that for all my adult political life I have attempted to fight and expose this human scum, this element in Canada of internationally organized crime, as much as if not more than most other hon. members, because in another jurisdiction I have had the opportunity to attempt to do exactly that.

Some hon. Members: Hear, hear!

Mr. Lawrence: I believe the minister's impression of what he heard last night is shared not only by members of the House but also by many people in this country. I am sure he believes he heard me say that there was no internationally organized crime in this country, in this province or indeed, in metropolitan Toronto. Of course, that is exactly opposite to the impression I attempted to give in the statement I made which was filmed in early 1972 by the CBC and other media in this

country. It was exactly the opposite because at that time, prior to the death of Magaddino in Buffalo, and certainly long after the New York family had well established itself in Montreal and had been extending its control and jurisdiction into the French-speaking areas of the province of Ontario, I was attempting to use that office at that time to impress upon the law enforcement agencies, the government of which I was a member, other governments and the people of this country and especially southern Ontario, that many elements of crime were already under United States influence, internationally organized crime.

That film clip that you saw last night on the CBC was a very small segment of a larger statement that I made at that time. The longer statement was to the effect that internationally organized crime was well established in Canada and in Ontario at that time. I also indicated, in that statement, certain moves, certain procedures and certain governmental organization at both the federal and provincial levels that I thought should be taken to cure this sickness that we had then, and still have, in this country.

I feel that even though I have asked the CBC to screen the whole of that statement or at least to give me the transcript of that statement—and so far they have not been able to do that—nevertheless, that small film clip last night was taken far out of context and damaged me to the extent that if they do not provide me with that full statement I may have to take the matter up outside the jurisdiction of this House by proceeding on other grounds. I shall obtain legal advice in that respect. I feel that program damaged my reputation so much that it affects my capabilities in this House. I would, therefore, like to move, if I may, that the matter of the reference in that CBC program last night as it pertained to me be referred to the Standing Committee on Privileges and Elections so that I may have an opportunity of clearing what I think is the very great stigma that attaches to my reputation and to my name.

Some hon. Members: Hear, hear!

• (1510)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I rise on the same question of privilege. The hon. member, in raising the matter of the CBC, made reference to my use of the CBC clip. Obviously, that was the only information before me and before the others. He has in this House given a full explanation of his position on that matter, which I accept unreservedly.

Mr. Speaker: Order, please. The questions of privilege raised by the hon. member for Davenport (Mr. Caccia) and the hon. member for Northumberland-Durham (Mr. Lawrence) raise, again, the question of the relationship between membership in the House of Commons and the press, and a further, more complex and additional relationship, that of a question of privilege respecting the proceedings of the House and the right of members in regard to the special relationship among members of the House and the freedom of the press generally. We have now in abeyance, under my considered study, two other questions relating to the same problem. In respect of both I will, as I will in respect of this matter, attempt to render a decision tomorrow afternoon.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTIONS

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in accordance with Standing Order 60, I wish to table two notices of ways and means motions and also request that you designate the requisite order of the day for the purposes of considering those motions at the next sitting of the House.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY OF MIDDLESEX-LONDON-LAMBTON

Mr. J. Larry Condon (Middlesex-London-Lambton) moved for leave to introduce Bill C-422, respecting the Electoral Boundaries Readjustment Act.

An hon. Member: Explain.

Mr. Condon: Mr. Speaker, I present this bill to the House because of certain changes to be made to the new riding and representations for changing its boundaries. These would change the riding from one which is partially rural in make-up to one which encompasses a large part of the city of London. For that reason I bring this bill forward in the House.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,974, 2,076, 2,175, 2,382 and 2,469.

Order Paper Questions

[*Text*]

UNEMPLOYENT INSURANCE COMMISSION ARBITRATION BOARD

Question No. 1,974—**Mr. Allard:**

1. (a) What are the names of the members of the Unemployement Insurance Commission Arbitration Board who, since 1970, have held office in Rimouski as (i) president (ii) representative of the employer (iii) representative of the employees (b) what was the duration of their terms of office (c) what were their qualifications (d) how were they appointed to the various offices (e) how much was each one paid for each session of the Arbitration Board (f) in all, how much did each one receive during his term of office in salary and other compensations?

2. (a) Since 1970, how many people lodged an appeal before the Arbitration Board and, of these, how many were (i) women (ii) men (b) how many hearings were in (i) French (ii) English (c) what number were (i) represented (ii) not represented (d) how many such persons personally appeared (e) as a percentage, how many of these did the Unemployment Insurance Commission offer to be represented (f) in how many cases did the claimants win (g) in how many cases was the decision (i) unanimous (ii) other (h) among all the cases heard by the Rimouski Arbitration Board, how many persons availed themselves of their right to appeal before the Judge Arbitrator (i) how many requests were made to the President of the Arbitration Board for authorization to appeal to the Judge Arbitrator, when the decision of the Commission's employee was maintained by the Arbitration Board by a (i) unanimous (ii) divided decision (j) how many of such requests to appeal before the Judge Arbitrator were approved (k) as a percentage, how many requests of appeal to the Judge Arbitrator were decided in favour of the appealing party (l) what were the litigious questions most often referred to the (i) Arbitration Board (ii) Judge Arbitrator (m) on which sections of the Unemployment Insurance Act and Regulations was the disqualification of claimants generally based (n) were requests submitted to the effect that the hearings of the Arbitration Board and the Judge Arbitrator should be recorded (o) what is the average duration of a hearing before the (i) Arbitration Board (ii) Judge Arbitrator?

3. (a) What was the average level of education of the appellants (b) as a percentage, how many appellants were (i) 60 to 65 (ii) 55 to 59 (iii) 50 to 54 (iv) 45 to 49 (v) 40 to 44 (vi) 35 to 39 (vii) 30 to 34 (viii) 25 to 29 (ix) 20 to 24 (x) less than 20 years of age?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. (a) (i) M. Tessier; R. Bérubé; C. Gareau; A. Roy Dubé; G. Hamilton. (ii) C. Gauthier; E. Paradis; H. Labrie; C. Chevalier. (iii) A. Bestraze; B. Lepage; J. Caron; M. Parent; J. Lévesque. (b) Chairmen: M. Tessier—August, 1970 to August, 1976; R. Bérubé—March, 1973 to July, 1973; C. Gareau—December, 1973 to the present time; A. Roy Dubé—July, 1976 to the present time; G. Hamilton—October, 1976 to the present time. Employer representatives: C. Gauthier—March, 1974 to the present time; E. Paradis—July, 1973 to the present time; H. Labrie—December, 1969 to the present time; C. Chevalier—December, 1973 to October, 1975. Employee representatives: A. Bestraze—October, 1963 to the present time; B. Lepage—October, 1963 to the present time; J. Caron—March, 1972 to November, 1976; M. Parent—February, 1974 to January, 1977; J. Lévesque—March, 1974 to the present time. (c) The Chairmen and members of boards of referees must meet the criteria established by the commission, i.e. demonstrated ability (work experience and qualificiations) to evaluate evidence, control and direct the board's operations, dictate and write decisions and understand and interpret the Unemployment Insurance Act and Regulations. They must thus occupy a certain social position within the community and be reasonably well-known and respected. In addition, the chairman must have a good knowledge of hiring techniques and the labour market situation while remaining unbiased in his decisions. (d) Chairmen of boards of referees are appointed by the Governor in Council. The commission draws up lists of employers and their representatives as well as of insured persons and their representatives. Members of boards of referees are selected in the manner prescribed from these lists and appointed by the commission.

(e)	Chairman	Members
1970	1 day $70 ½ day 40	1 day $50 ½ day 30
1972	1 day $85 ½ day 50	1 day $65 ½ day 40
1974	1 day $100 ½ day 60	1 day $80 ½ day 50
1976	1 day $110 ½ day 60	1 day $90 ½ day 50

(f) In all, the amounts paid to Boards of Referee members were: 1970—$5,645.40 (April, 1970-March, 1971); 1971—$2,440.00 (April-December, 1971); 1972—$5,111.14; 1973—$11,670.00; 1974—$8,728.50; 1975—$7,548.50; 1976—$10,460.00.

2. (a) 1970, 259; 1971, 220; 1972, 214; 1973, 609; 1974, 383; 1975, 247; 1976, 324. (i), (ii) not available. (b), (c), (d) and (e)—not available. (f) 1970, 66; 1971, 50; 1972, 43; 1973, 129; 1974, 50; 1975, 49; 1976, 53. (g), (h), (j), (k), (l), (m), (n) and (o)—not available.

3. Not available.

AEROSOL SPRAYS

Question No. 2,076—**Mr. Howie:**

1. Have government studies been published regarding the effects of propellant gasses used in aerosol sprays and, if so, what was the finding in each case?

2. Have measures been taken to control, limit or prohibit the sale of products using propellant gasses and, if so, what are they?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of the Environment is concerned: 1. Yes. The report by the Atmospheric Environment Service Advisory Committee on Stratospheric Pollution, dealing with the effect of chlorofluorocarbons on the ozone layer, was tabled in the House of Commons in December 1976. The report concludes that "the scientific evidence is sufficiently strong to warrant the government making a decision on regulation of chlorofluorocarbons" and that "if scientific evidence were the only consideration, the committee would recommend immediate regulations to achieve a significant reduction in fluorocarbon release rates".

2. The minister announced in December that the government will move immediately to phase down the use of fluorocarbons F 11 and 12 in Canada. Industry has begun voluntarily to reduce by one half the consumption of F 11 and 12 in the aerosol industry. Regulations will be developed which would prohibit non-essential uses of F 11 and 12 in aerosol products in 1978.

In so far as the Department of National Health and Welfare is concerned: 1. Results of a study carried out for the Health Protection Branch by a consulting laboratory indicated no adverse effects to housewives using a large number of aerosol products for a period of six weeks. These results were published in the Canadian Medical Association Journal in July 1974.

2. An interdepartmental ad hoc group of experts is studying all facets of aerosol products containing F 11 and F 12 fluorocarbons. Industry has agreed to decrease by one-half their usage of such materials during 1977, and all but essential uses of fluorocarbons as aerosol propellants will be phased out by December 1978.

FEDERAL COAL MINE INSPECTORS

Question No. 2,175—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to inspect coal mines?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned: (a) Nil. (b) 3.

In so far as the Department of Labour is concerned: (a) Mine inspections were carried out for Labour Canada under contract with department of mines of Nova Scotia. (b) Four federal government employees were engaged in inspection of coal mines of Cape Breton Development Corporation. In addition, there were: one chief inspector, one laboratory technician and two support employees. Notwithstanding the above reply, most mining activities in Canada are within provincial jurisdiction.

MR. GABRIEL BELAND

Question No. 2,382—**Mr. Fortin:**

Did Mr. Gabriel Beland, Director General of the Department of Manpower and Immigration, in the Quebec area, tell some close associates that he had to get rid of the UIC workers' union president for the Quebec Chapter, Mr. Robert Goyette, because the latter was a dangerous revolutionary?

Hon. Bud Cullen (Minister of Manpower and Immigration): No.

IMMIGRANTS FROM ANGOLA

Question No. 2,469—**Mr. Caccia:**

How many immigrants, whose last or second last country of residence was Angola, have arrived in Canada since 1974?

Hon. Bud Cullen (Minister of Manpower and Immigration): One thousand ninety five immigrants, whose country of last permanent residence was Angola, have arrived in Canada since 1974. Statistics are not kept on the second last country of residence of immigrants.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Concil): Mr. Speaker, if question No. 2481 could be made an order for return, this return would be tabled immediately.

[*Text*]

COMPANIES MOVING TO OR AWAY FROM QUEBEC

Question No. 2,481—**Mr. Gauthier (Roberval):**

1. Since November 15, 1976, have any companies moved their head office out of Quebec and, if so (a) how many (b) to which locations (c) what are (i) the names of the companies (ii) their assets (d) how many Quebec residents did they employ (e) on what date were they established in Quebec?

2. Since November 15, 1976, have any companies moved to Quebec and, if so (a) how many (b) what are (i) the names of the companies (ii) their assets (c) how many employees do they have (d) from which locations?

Return tabled.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand?

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. I almost overlooked announcing the questions to be raised during this evening's adjournment debate. Pursuant to the revised procedure for the month of June, I wish to inform the House that the questions to be raised at six o'clock p.m. are as follows: the hon. member for Halton (Mr. Philbrook)—Transport—Date of decision on provision of funds for urban transit projects; the hon. member for Lambton-Kent (Mr. Holmes)—Northern Affairs—Northwest Territories—Involvement of local government in programs to develop political awareness of natives—Government position; the hon. member for Marquette (Mr. Stewart)—Transport—Rail line abandonment recommended by Hall commission—Inquiry as to form of appeal available.

GOVERNMENT ORDERS

[*English*]

AERONAUTICS ACT

AMENDMENTS RESPECTING CHARGES FOR USE OF AIRPORTS, ETC.

The House resumed consideration of the motion of Mr. Lang that Bill C-40, to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, when the House rose at one o'clock I had been quoting an excellent letter written by a constituent, an aviation consultant. So excellent was the letter and so much on point that I felt impelled to read it into the record. I shall continue reading, as follows:

Subsection 3 would provide that all charges imposed upon the owners or operators (pilots) of aircraft would constitute a lien upon the aircraft in respect of which charges have been incurred and may be collected by the seizure and sale of the aircraft under a warrant or order of the federal court.

I am pleased to see that the minister finally has realized that this country still has courts of law. Notwithstanding, legislation incorporating this proposed amendment would give Transport Canada horrendous power. During the past several years, the number of erroneously-charged landing fee charges which many pilots have received is appalling, many of which have been due to incorrect registrations being recorded. What protection does the owner/operator/pilot have in such cases? Absolutely none. There isn't even stipulated processes for appeal. No, you can just see it coming: an owner/operator/pilot fails to pay his $1.50 landing fee, the RCMP seize the aircraft concerned and in the process damage it, an experience which many complain of today with the problems caused by legislated faulty ELT's, and place the aircraft up for auction. The owner attempts to rectify the situation when it turns out that the charge was wrongly made, but his only recourse at that point is through the courts, at his own expense. Our convicted criminals seem to enjoy more rights than that.

At the present time, there are due processes of law concerning the establishment of liens against chattels to which all Canadian citizens and corporations must adhere. I suggest that the government may not be allowed to set itself up as a law unto itself. Rather, this subsection 3 should not be permitted.

Subsection 4 would allow for the automatic attraction of interest at the rate of one and one-half per cent per month, calculated from the day that is one month after the date on which the charges were imposed.

Notwithstanding the automatic contractual obligations to which owners/operators/pilots would be subscribing to under this proposed legislation should they make use of any DOT facilities for which a user-charge is associated—the legality of which may have to be contested in the courts—what happens to all of the securities deposited with the minister as set out in subsection 2? Is the minister prepared to pay each owner/operator/pilot monthly interest at the same rate on the deposit? And what about the administrative requirements to handle these matters? What is the additional cost that will ultimately be passed along as another user-charge to establish offices across the country to keep track of every deposit, every user-charge, every lien, the cancellation of each lien as the accounts are settled, and the processing of seizure and sale of the hundreds of aircraft? One more excuse to further the government's self-indulgence and self-justification.

● (1520)

Next we come, on page 2, to section 5.2 which would permit the establishment of regulations that would require private aircraft owners and operators (pilots) to subscribe for and carry liability insurance. I certainly agree that third party liability insurance is a very important and common-sense thing for owners/operators/pilots to have, but I would be very interested in the numbers of such owners/operators/pilots who do not now have such coverage. I suggest that it would be an extremely small percentage of persons, and therefore, Transport Canada should be required, firstly, to substantiate this proposed legislation with factual evidence, including full details about accidents and insurance statistics that might support the minister's claim. And, what kind of level of insurance would we be talking about here? Enough to cover the claims if an accident occurred between a private aircraft and a 747?

[Mr. Speaker.]

You know, on our navigable waterways, lakes and rivers, you see kids and irresponsible adults—a vast majority of whom have never had any instruction in small boat handling—playing the fool with high-powered single and twin-engine inboards and outboards. Most of them do not even know and do not care about the rules of the road. What about their liability? Federal jurisdiction prevails there, too, but you do not have to bother answering that question because we all know what the answer would be. The small boat manufacturers and operators is such a large group of voters which the government doesn't want to lose, just like the case two years ago with the then new 10 per cent excise tax. Hit the aircraft owners, but exempt the boats because the latter's lobby is too strong. Heck, it's the private aircraft which can and is providing the alternative viable form of fast and economical transportation, not the small boats.

Further, on page 2, under paragraph 4, reference is made to the proposed licensing of persons engaged in the design of aircraft and the premises in which that design takes place. Every community college and university in this country with an approved engineering technology or undergraduate or graduate course might well be considered to come under such legislation. What about the innovative inventor? Before he even starts to "design" from his ideas, must he apply for a licence first? Of course not, but some over-reactive official is sure to come along one day and then what? Later in this section, you will also find reference to proposed licensing requirements for premises used in the maintenance of aeronautical products for the purpose of determining the airworthiness of such products. The law already prescribes for the licensing standards of maintenance/engineering personnel, but is it now going to be that a farmer must license his barn in which he hangars his Piper J-3 in order that routine maintenance work may be carried out on his aircraft on his premises by an already-licensed engineer? A little absurd, perhaps, but that is what might well take place under proposed amendment.

Despite the obvious new restrictions and legislative controls that these proposed amendments would put into effect, it is amazing that nowhere does the Bill C-40 provide for a route of appeal. If a citizen does not like a decision or action which may have been taken against him arbitrarily, to whom does he appeal? The current sad situation with respect to medicals is a prime example. Do we always have to resort to the Federal Court of Appeal Act under section 28 with all of its associated expense? If so, then rest assured, the aviation community is sick and tired of having new and more expensive legislations rammed down its throat, and the moment that we can find just cause under any implied contract which may be deemed to exist if this Bill goes through, we will consider every possible recourse of action, including the initiation of class action suits.

On pages 5 through 9, you will find amendments proposed in respect of the jurisdiction over protection of areas adjacent to airports. Some of these articles may be considered worthwhile, and although I have not sufficient background that allows me to comment vis-à-vis the provincial and municipal jurisdictions in these matters, this part should be examined carefully because finally, we may get some common sense zoning regulations for lands and buildings located around airports.

Following these matters, on page 9, we find the long-awaited reference to the board of inquiry! Regrettably, despite the grammatical change, there is really no change. When are we going to get an independent and proper board of inquiry for aircraft accidents that will not be tied to the apronstrings of the Ministry of Transport, oftentimes susceptible to Transport Canada influence? This is long overdue, and the proposed amendment here accomplishes nothing but a little housecleaning.

Mr. Kempling, this proposed legislation under Bill C-40 has too many items in it of contentious issue, items that would provide Transport Canada with increased, autonomous powers that may not be used to further and promote the growth of aviation in this country. I request that you, as my representative in Ottawa, do everything to see that it is defeated.

Thank you for consideration of these matters.

I thank the House for its indulgence in allowing me to read that letter into the record. If hon. members have an opportunity to reread it tomorrow, they will see that many of the points contained in the letter are valid and should be considered. We want this bill referred to a committee. We want witnesses called to deal with the areas of concern about which many members have spoken. Those in the aviation industry who wish to present briefs and make representations should be permitted to appear before the committee.

I understand that difficulties have been experienced with four air carriers with regard to the collection of fees for services. The minister's solution to this seems to be to require all pilots and owners of aircraft to fall under the umbrella of these charges even though the difficulty was only experienced with four air carriers. That is most regrettable. It is a further example of overkill and will have an extremely detrimental effect on aviation in Canada.

There are other members who wish to speak on this bill and bring forward other points of interest. I will yield the floor to them at this time. I just want to state that when this matter comes before the committee, as I am sure it will, we will be adamant with regard to having witnesses and briefs presented from those in the aviation industry who will be affected by this bill. We will endeavour to amend it and change it in such a way that it will not be detrimental to the Canadian aviation industry. If left in its present form, I am afraid it will have a rough passage.

[*Translation*]

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I welcome this opportunity to speak on second reading of Bill C-40, a bill which gives to the minister and his officials much greater powers to improve regional air services, such as Montreal-Mirabel, but I must say that very few clauses in this bill promote the establishment of airports in remote areas like the Gaspé peninsula, northern Ontario and Quebec.

Mr. Speaker, the proposed amendments contained in this bill give much more power to the minister and his officials to give a negative answer to realistic projects that may come from some municipalities. The current situation of runways in the Gaspé peninsula does not allow for an adequate service. The length of runways and the lack of sufficient navigation aids result in many delays and flight cancellations in Gaspé and Sainte-Anne-des-Monts as well. The regional air carrier for Gaspé, Quebecair, had to cancel 12 per cent of its flights in 1976 because of bad weather conditions.

Since 1974, Department of Transport officials and even ministers have been stating that the federal government will provide for the financing of the 6,000-foot extension of the runway in Gaspé and that this runway will be provided with facilities and with better navigational aids. In 1977, the same officials of the Department of Transport say that according to the existing regulations, the present site does not meet the security standards for navigation and that after having invested $1.5 million for building an airport and an air terminal we should try to find another site.

Mr. Speaker, I believe that the Department of Transport is perhaps the only one among all departments here in Ottawa which is so independent that it can see to its own operations without consulting people or experts from outside. The department submits regulations, has them passed by Parliament, applies these regulations and no independent body has in any way the right to interfere in their files. In one word, as the scouts said before, this department is taboo.

The Chamber of Commerce of Gaspé, in a brief presented on April 1977, states this, and I shall quote a few parts from it:

> Following the representations which have been made for the last six years for a 6,000-foot extension to the runway in Gaspé airport, it appears to us necessary to inform the Minister of Transport of the results of some research and to formulate once again our requests.
>
> We will give you first some data on the previous studies on the establishment of an airport in Gaspé. We will then give you the results of the test flights which have been made to check the conditions of air navigation in the immediate vicinity of the present runway. Finally we will formulate our requests for the immediate future.

In its previous studies, the Gaspé Chamber of Commerce states that the plans were accepted in 1952. Other plans were also developed and signed by the department; the land survey took place in 1965. Moreover, an expropriation plan and a development plan were set up in 1965 and 1969 respectively.

The brief states further:

> What is to be inferred from these works?
>
> We cannot resign ourselves to admitting that federal Department of Transport engineers approved these development and construction plans for an airport without making use of the proper site.
>
> If such were the case, the people of the Gaspé area should not be penalized because of these actions.
>
> The land surveys, as well as the development, expropriation and construction plans to which we have referred indicate that the current site of the landing strip, without being ideal, is quite adequate and improvable.

Mr. Speaker, I could talk for hours about our air services in Gaspé, but I find it rather disappointing, and the population too, to see all those conflicting reports which have been submitted for 10 years, and while the competence of department officials cannot be questioned, I submit, Mr. Speaker, that before making a consistent decision on all those files the minister should seek advice and ask for some assessments by independent consultants.

Gaspé is over 500 miles away from large centres like Montreal, and we have been waiting for years for the federal government to take action and give a better service to our people. How is it possible that people still trust a department which has been submitting conflicting reports for 10 years now? I feel it is incumbent on the minister, with the powers he will derive from this new bill, Bill C-40 now under study, that from time to time he seek consultants' advice to assess whether regulations or regulations enforcement are consistent with reality. We doubt whether some officials could have been overzealous to the point that they have shelved certain projects which our people had called for many years. On this, Mr. Speaker, I will conclude.

● (1530)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a few words on this bill. It is one which I believe to be considerably more important than one might think at first blush. If there is any form of transport which is regulated or overregulated, it must be air transport. There seem to be commissions and regulatory bodies extending throughout its operations, and the bill before us further increases the scope and power of those who make decisions. Above all, it increases the power of the minister to intervene.

I think the measure should certainly go to committee in order to give us an opportunity to hear further explanations of the way in which it will operate and also, in particular, to hear representations from the people likely to be affected. I should like to comment on the clause which has to do with zoning, having run into these circumstances in a small way in connection with one of the airports in my riding. The present method of zoning leaves much to be desired. Little guidance is offered to those directly concerned. Numerous restrictions may be imposed, sometimes without explanation it would seem, and those upon whom the rules are imposed often find them onerous and difficult to understand. It would appear that if this bill passes, the owner of any type of airplane, even if he keeps it in his own garage, will have to hold a permit and that he may, if he files a flight plan, be liable to pay certain fees. This is on the ground that he is using government services and therefore a charge should be made.

● (1540)

In my area a considerable number of people are flying—so-called flying farmers—who use their flying machines for pleasure and for business purposes. The problem of crop spraying has become important. This seems to be a dangerous type of flying. There always seem to be a few pilots killed every year. One was killed just last week in the interlake country of Manitoba when he was crop-spraying. There is also the problem of the incompetence of flyers in dealing with pesticides and herbicides which are used by them. This is being regulated partly at the provincial level. There is a statute at that level which will soon be promulgated, and no one will be able to fly while crop-spraying without having attended a provincial course on the use of pesticides and herbicides. This is a step in the right direction in that the business of herbicides is very important.

I would like to turn to the bill at page 10 under clause 7 where it mentions the rule of the Canadian Transport Commission on licensing for proposed scheduled commercial air service and also for proposed commercial air service without a schedule. This is important and is coming to the fore at this time, because we are finding a good deal of competition between our airlines in Canada. There is widespread unrest among our airlines and a feeling that Air Canada, having 75 per cent of the cross-country passengers by regulation, is not working in the interests of air travel in this country. This is being particularly voiced in western Canada. This rule that 75 per cent of all passengers across the country must go by Air Canada is working against the best interests of the competing airlines and is not all that successful for Air Canada because it is in the red, as well. One of the important comments which was reported on the CBC not so long ago is as follows:

> In a vignette offered on Air Canada recently by the CBC radio program, the Royal Canadian Air Force, in a sturdy voice declaimed, "When you hear nasty things which put down our national airline, then stand up straight and tall and proud and demand in a loud, clear voice so all can hear: Do you know where my luggage is?"

This is indicative of our feelings on the service Air Canada has given. Air Canada has often been, seemingly, in charge of the negotiations of the Department of Transport. This was evident some time ago when the transporter routes were allocated between Canada and the United States. The allocation of those transporter routes, wherein Air Canada received all but one, has certainly made other airlines very bitter. Their feeling is that an airline with a government-supported monopoly and charged to the Department of Transport is not the best thing. In my province of Manitoba, Transair president Arthur Mauro said:

> "It seems pretty well it's what Air Canada wants that determines what the cabinet decides."
>
> Mauro said that shutting out Winnipeg-based Transair from the hope for trans-border routes—which went to American carriers has resulted in "the most tragic lack of Canadian carrier participation in the central Canadian-U.S. traffic".
>
> Transair wanted to serve Denver, Chicago, Minneapolis, and Milwaukee but the government "did not even have the courtesy of placing our request before the Americans", he added.

At the other end of the country, Mr. Robert Chartland, the public affairs director of Quebecair, said:

> We're really disappointed—maybe we'll have our turn one of these days.

This details some of the problems we have with many regulatory bodies in Canada. We have an airline which we protect through the government and we are restricting privately-owned airlines which give competition to that airline. I would hope we would have this bill in committee and have important and knowledgeable briefs from people who know what this means. I would like to make sure we do not in any way impede or curtail private airlines and small private operators which have contributed so much to the development of aviation in this country.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is with some regret that I rise once again to express my views about the absence of radar at Victoria international airport. I seem to be getting nowhere with a problem which has been bothering me since the beginning of this year. I should refer to the first clause of this bill which grants the power to construct and maintain all government aerodromes and airports, including all plant machinery and buildings necessary for their efficient equipment and upkeep. I am referring to the plant required for the efficient equipment and upkeep of an international airport.

As long ago as January of this year I raised this question. Actually, I raised it in September of 1976, so it has been standing almost a year now. I had a special cause to raise it

again in January because of an incident which occurred when I was aboard an aircraft leaving Victoria international airport bound for Vancouver. On a number of occasions since then I have asked what is required to trigger an inquiry into an incident—I put "incident" here in quotation marks—affecting two aircraft in the area.

● (1550)

Perhaps there should be some automatic triggering mechanism which would cause an inquiry to be made. I would have thought that when either a controller or a pilot of an aircraft involved in an incident—and I am sure they all make reports of these incidents which occur during their flights—uses the words "collision", "near collision", "possible collision" or "near miss" in his report, and when that report reaches the superintendent of air safety, that would cause an inquiry into that particular incident to be made. I would have thought this inquiry would bring together the visual records and the accounts from the taped flight-deck electronic equipment to determine whether there were means of avoiding a recurrence of incidents of that kind.

Mr. Speaker, you were not with us when we approached Victoria international airport at the end of May. A group of parliamentarians from this House and the other place were on board a service aircraft. As we reached my riding, I felt it would be courteous for me to rise and welcome my colleagues to my riding. I informed them that they did not have to worry, that they would soon be within binocular range of the airport and that we would be brought down safely. There was no problem at all; it was a clear day. However, as soon as I used the word "binocular" in connection with the landing of that aircraft, a prominent member on the government side asked, "Are you suggesting that there is no radar at Victoria international airport? That upset me deeply because there has been correspondence, questions in this House and bills relating to air navigation. I have spoken on the "late show" and I have endeavoured by every conceivable means to bring this lack to the attention of the minister and to have him rectify a situation which I think is inexcusable.

I think it is worth mentioning to the minister, since he is here this afternoon, that there have been other incidents since. If I remember correctly, one occurred during the stay of a Canada-U.S. interparliamentary group in Victoria. The incident occurred over Active Pass. The incident involved a scheduled flight of a float-plane from Victoria harbour to Vancouver harbour. It was a very near miss. I am not suggesting that these flights be directed from the ground. That is not the point of my reiterating this plea. The point is that the pilots who are in the air should be informed of what else is in the air so that they may know what is above them, below them, to one side, crossing their path or otherwise in the general area of their flight.

This particular incident took place when the Canada-U.S. interparliamentary group was meeting in Victoria during the last weekend in May. I understand that the separation was something in the order of 100 feet, which is very close. It is much too close for comfort. Those who were on board the aircraft were distressed to learn that there was no radar which could have informed the pilot of the aircraft that there was another aircraft in the area. I am informed that the area between Active Pass and Victoria is within the control area of the control tower at Victoria international airport.

It is asking quite a lot to ask the controllers in that tower to cover the 360 degrees around the tower to the depth that is required for the distance from the tower to Active Pass and to identify all aircraft flying in that area in order to notify other aircraft that are approaching or transiting. This is one other matter which is neglected by the minister. I see that he has left the House. Perhaps his officials will make a record of some of these comments. I hope they bring them to the attention of the minister and to the safety committee.

It is not just traffic in and out of Victoria international airport which concerns me. Traffic transiting through the air space above and around that control area, perhaps on its way from Portland or Seattle to Alaska, concerns me as well. I agree that that traffic is generally very high, but incidents could occur which could cause those aircraft to descend into the paths of aircraft which are doing normal scheduled flights, practice flights or sport flights in and out of the Victoria international airport.

Therefore, I appeal once again on the ground of absolute traffic requirements that surveillance radar be placed in Victoria international airport to cover the contingencies which could arise because of transiting traffic in that general area. I am not talking about IFR, I am talking about VFR, and I am aware that it is up to the pilots to avoid problems. It is not up to the controllers to cause separation, under VFR; I know that. That is not the point. However, the pilot should know what else is in the air. He should be informed that there might be an aircraft which has a capacity to fly at a certain rate, travelling on a certain course, at a certain height, and which is likely to be very near the path of another aircraft. These two facts can be taken into account by the pilots, and can avoid collision.

● (1600)

Let us not forget that sometimes our commercial pilots who after long flights are just landing at the Victoria international airport are fatigued, and their reaction might not be as hasty as it should be. I thank them for their speed of reaction on January 21, 1977, when a collision was avoided, and again I ask, if the word "collision" appears in the report—and I can swear that it did—why was there not an inquiry into that incident?

I am not attempting to have IVR control taken over from Vancouver—they do it very effectively—but the fact remains that IVR control in Victoria has had to proceed with the same number of personnel, despite the near doubling of traffic in and out of that airport. I suggest that a surveillance radar, properly positioned and feeding into a screen in the control tower, would provide the missing security link which is needed to give absolute assurance to the controllers and the crews of the aircraft, and of course to the passengers, that is so essential

for a security record of which Canada can be proud. We must maintain it.

One other comment is that we must get this bill quickly to committee where we could have witnesses to inquire into matters such as I am raising here today, and also into other much more mundane matters affecting the territory of airports. I refer to the security fence. It is almost a dead issue. It was built half way around the airport and, despite a good many objections that were raised locally, it does nothing to increase the security of the airport in cases of hijacking because it is only half way around. I thought the whole thing had been forgotten, but then I learned last week end that one of the fields granted by the Department of Transport and the airport manager to a community group as a soccer field has now been divided down the middle by that useless fence.

I secured the permission of the minister and of the manager of the airport to have that soccer field left free so that the children of the community could have a place where they could gather on lovely days such as we have today, or even on wet days, to play soccer. Now I find that the only large area available to them for that purpose has been virtually destroyed by the building of a fence right down the middle of it.

When the bill goes to committee I will have some evidence brought forward respecting these two matters, and the power that the minister is exercising, or ought not to exercise except after he has taken into account the needs and requirements of the users of the airport.

Mr. Cecil Smith (Churchill): Mr. Speaker, I believe that the last time I spoke when you were in the chair we were also talking about aircraft, only it was the transportation of parrots to Yugoslavia. However, I find that the air regulations in Canada, especially northern Manitoba, are about as obsolete and out of date as they are in Yugoslavia.

Coming from northern and central Manitoba I must point out that airports are our lifelines because we do not have road systems in the north and we depend entirely on aircraft for transportation of people to the large centres, transportation of children attending school, and transportation of food supplies to the various communities. Over the last 20 years we have seen an increase in air travel throughout northern and central Manitoba to the extent that we now have approximately ten different airlines flying in the area, some of them serving the smaller communities and others serving the larger communities such as The Pas, Flin Flon, Thompson, Churchill, and Gillam. Those are larger communities that had airports prior to 20 years ago.

However, in 1966 the then premier of Manitoba, Duff Roblin, said that on Manitoba's centennial, which was in 1970, every community of over 100 people would have an emergency airport. This would consist of a landing strip which would measure some 2,000 feet long, be approximately 350 feet wide, and would be classed as an emergency airstrip. This emergency airstrip program got under way and was nearly completed by 1970. There was an emergency airstrip in each community.

[Mr. Munro (Esquimalt-Saanich).]

We found that we had revolutionized travel in northern and central Manitoba to the extent that wheel equipped aircraft were circulating these airstrips before they were completed. Prior to the landing strips being built, aircraft only equipped with floats could land on the lakes, and aircraft equipped with skis in the winter could land on frozen lakes. They were the only means of transportation. This resulted in long periods in the spring, called break up in the north—this is the breaking up of ice—and in the fall, when aircraft could not land. In many instances the medical requirements of these communities were not available. Of course in later years helicopters were used to transport patients out to nearby hospitals. However, the airstrips in northern Manitoba have been brought up to a standard so that even the Department of Transport recognizes some of them.

The biggest problem that we are experiencing right now is that, of the 25 airports in Manitoba, the federal government will only recognize five or six. The remaining airports operate under the restrictions of the Department of Transport with regard to the size of aircraft that can use these airports, the type of licences given to these particular airports, and so on. This brings me to the point where I really feel I must speak on Bill C-40, and once it is in committee we hope there will be sufficient witnesses to bring us up to date on exactly what is happening in air transport with regard to isolated and inland areas of Canada.

Some months ago Transair sold out to Pacific Western Airlines and a portion of their company, called Midwest Aviation, was sold, or is in the process of being sold, to Perimeter Aviation of Winnipeg. What took place is a real mystery so far as other operators in Manitoba are concerned because we have people like Taylor Airways operating out of a place called Gods Lake Narrows, who have serviced that community for 15 years, not always with wheel equipped aircraft but, prior to that, with ski equipped aircraft in winter and float equipped aircraft in summer, to fly people out during emergencies, to fly trappers out to their trap lines and fishermen out to the various lakes where they fish commercially in the summer time, and also to transport their fish to the market. What has happened is that now that the Midwest portion of Transair has been sold to Perimeter Aviation there is some agreement between Perimeter Aviation, Midwest and CTC that seems to dictate that if they buy Midwest they will want all the flying rights to the northeastern portion of Manitoba which is presently being serviced not only by Taylor Airways out of Gods Lake Narrows but by St. Andrews Airways out of Island Lake. Incidentally, St. Andrews fly approximately 3,000 passengers a year out of Island Lake, St. Theresa, Wasaganac and Red Sucker. The total population of those four small communities is approximately 2,500 people.

● (1610)

The problem arises when one aircraft company wants to take over a particular area of northern and central Manitoba. The company we are talking about that is planning to do this is Winnipeg Airlines. It is based in Winnipeg, whereas Taylor Aircraft is based in the community of Gods Lake Narrows,

and St. Andrews Airways Ltd. is based 25 miles outside Winnipeg. St. Andrews Airways Ltd. applied to the CTC for permission to operate out of Winnipeg International Airport and was turned down. This is an inconvenience to the people who fly into Island Lake and St. Theresa Point. This is approximately 300 miles, and then of course they have to pay additional costs to get out to the St. Andrews airstrip. This poses problems for the aircraft company as it means they cannot be competitive with other companies that operate out of the Winnipeg International Airport. After the application was refused by the CTC, St. Andrews Airways Ltd. received a cease and desist order which limited them to operating out of St. Andrews.

The ironic thing is that the St. Andrews airport is of limited size, and St. Andrews Airways Ltd. is using aircraft that are the maximum allowable size for operating in that area. I feel that heavy duty aircraft are not safe to operate there with loads of passengers. The company has given excellent service to the people of Island Lake over the years, and it should be remembered that these people have no other means of transportation. I cannot see the rationale behind refusing St. Andrews Airways Ltd. permission to fly out of Winnipeg International Airport. There seems to be a move afoot to eliminate all the small operators in northern and central Manitoba and to give the business to one big company.

Taylor Airways have four aircraft that operate entirely out of Gods Lake Narrows. They employ local people, and money is spent in the community. This is the kind of operation we should have in the north, and we are not satisfied with only the larger companies operating our transport system.

Air Canada is a good example of a large company running at a deficit. I can see the same thing happening if we turn all the business over to other larger companies. We should keep some of the small operators who provide excellent service to the community.

Cross Lake Airways operates out of Wabowden, Manitoba, and provides excellent service to Cross Lake and Norway House. These little airways that operate in the north do not fight with each other; each has its own base of operation and they all provide good service, so I think we should leave them alone. They are subject to the same regulations as anyone else; their aircraft have to be up to standard and they have to meet the regulations. I am sure a larger company would have difficulty meeting their standard of service. The fact that an aircraft is sitting in the community day and night, and is there in the event of a serious accident, means that the people do not have to call out on the two-way radio to Winnipeg for an aircraft. In a lot of cases an aircraft might not arrive from Winnipeg until the next morning, but when there is one in the community an emergency is taken care of immediately. The bush pilots know the terrain and how to operate under conditions peculiar to the north.

Aero Trades operates out of Oxford House with a small aircraft, and Calm Air Ltd. operates out of Lynn Lake and Thompson into other small communities. I do not think it is sensible to replace these small operators with a larger air carrier.

Judging by the regulations imposed by the Department of Transport over the last few years, it would almost seem as if the department is jealous of the fact that in 1966 Manitoba built airstrips in remote communities that were not serviced by other means. A good example of the strict regulations imposed by the department is found at the Oxford House airstrip. Five others were closed, but Oxford House was left. The departmental engineers went up there for 24 hours and then issued a report saying that the airstrip was not suitable for particular types of aircraft. Mr. Speaker, I am interested in safety, but we must realize that all airstrips in the north cannot be equipped with radar. When we talk about IFR in the north we joke that it means "I follow the railway" or "I follow the river" because the isolated communities just do not have the modern IFR systems.

After 1967 the Oxford House airstrip was hampered by regulations. Apparently only one type of aircraft could operate there. The province of Manitoba was responsible for doing the work on the airstrip required by the report from the Department of Transport—the building had to be moved, the airstrip lengthened and widened, a certain type of aggregate put on it, and many other things that could not be done in one year because the heavy equipment required was not available.

There were two years when the community could not be served on a regular basis by a certain classification of air carrier. Then out of the blue, some four months ago, the Oxford House airstrip received a clean bill of health from the inspectors. It may be that the inspectors had changed and finally there was somebody who could relate to the north and the development taking place there. Now the community is serviced with a regular schedule. There are three flights a week into the community and the people do not have to charter a plane every time they want to leave.

• (1620)

Why should the community of Oxford House have gone without regular air service for two years? The buildings were not first moved in accordance with the stipulation of the inspector visiting the area, and to my recollection the airstrip was not extended. A bit of gravel was put on it, which would be helpful on a wet day. But most airstrips in that part of the country are frozen solid seven months out of 12, and some are located in regions of permafrost. This community suffered two years because it was said its airstrip did not meet Department of Transport standards. Then, out of the clear blue sky, the community got a clean bill of health and was told its airstrip was adequate for bigger aircraft.

We must watch air transport developments in the north closely. We do not want large operators shoving our smaller operators aside and taking all their business, for we need small operators in many remote communities which can only be serviced adequately by small operators operating a few small aircraft. People want to be reassured they can fly their sick children to hospital. Many small communities are served by

small nursing stations, but their staff is not qualified to handle major emergencies.

When the bill is in committee I hope witnesses will appear to say what is happening in the field of air traffic in northern Manitoba, indeed, all across the north. It seems that the Department of Transport people look jealously on Manitoba's program these past few years to develop airstrips in remote places. That this has happened at all is owing to the forward thinking of Duff Roblin in 1966 who said every remote community of 100 or more should be equipped with an emergency airstrip. We have grown, and the department should keep up to date with developments in the north. It should know how important small aircraft companies operating several aircraft are to remote communities, and how they provide those communities with services they need.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I want to speak briefly on Bill C-40. A previous speaker read into the record a letter an aircraft consultant sent him, a letter which said many of the things I want to say.

In my particular part of the country we have many small aircraft owners and many flying farmers. They own and fly small aircraft sometimes for pleasure; often they use them for crop spraying, or for going to a larger centre to pick up repair parts for farm machinery. Most of their flying is done from an airstrip on the farm, or from a small airport not operated by DOT. From time to time they occasionnally use Department of Transport facilities.

I am particularly concerned about clause 2 of the bill which gives the minister authority to impose charges on the owners and operators of aircraft. It says the governor in council may imposes charges with respect to "any facility or service provided by the minister or on his behalf for or in respect of any aircraft during flight . . ." That is a broad section and needs clarifying. Does it mean that if a pilot of a small aircraft calls a DOT aerodrome for a weather report, he will be charged for that service; or if he calls the control tower for a bearing, to check his position in relation to the airport, he will be charged for that service?

Perhaps there is nothing wrong with the user-pay concept in general but, for owners of small aircraft, I wonder.

Reading Clause 2, I note that the owner or operator of an aircraft will need to deposit each year with the minister "security in the form of a bond or letter of credit . . ." Further, all charges imposed upon the owners or operators of aircraft constitute a lien upon the aircraft. This means that if the charge is not paid, the aircraft could be seized and sold for payment of the charge.

Many private pilots and flying farmers use Department of Transport facilities perhaps only once or twice a year. I don't know what the charge will be—perhaps it will vary from $1.50 to $3. Every time one of these small aircraft pilots uses the service, it will have been recorded. The Department will need to set up an administration to do this, either at some central location in the west, or down east. Each time a pilot uses a service, it will be recorded. The question is, how much will it cost to administer the system for recording every instance a small aircraft pilot uses a DOT facility—when he may run up a bill of, say, $5? In addition the pilot will need to file a bond or letter of credit each year. I assume someone will have to check out those letters of credit to make sure they are valid. In cases where no security is filed, the department will need to institute some follow-up procedure. I visualize a burgeoning bureaucracy for recording such charges and collecting fees from pilots and operators, and it seems to me that the administration costs will exceed greatly any revenue the Department of Transport may collect for these services.

The minister should reconsider those provisions applying to private owners or flying farmers and make an exemption in their case. Granted, the language of the bill does not go into great detail. I therefore hope, when the minister or his officials appear before the committee, we shall see some clarification of various clauses.

• (1630)

Another clause which gives me some concern is the one which requires the licensing of facilities where aircraft are being serviced or repaired. This might be necessary in cases where a commercial operation is being carried on. However, on the face of this clause, it appears as though an individual who has repair work carried out in his own hangar on his farm would be required to have his facilities licensed.

I can think of one particular individual who lives in the vicinity of Moose Jaw, a flying farmer who refurbishes antique aircraft. He is a qualified engineer. All the work is done on his own farm by himself. Does he need to have the building in which this work is carried out licensed? That would be a ridiculous situation. I can understand the requirement for licensing aero engineers or air-frame engineers. However, to require the licensing of a particular building where the work is carried out is rather ridiculous.

Clause 3 also gives me some concern. It requires owners or operators of aircraft to carry liability insurance. Most owners and operators of private aircraft do in fact carry liability insurance. I do not know the reason for this clause. It may be to ensure that those operators who are the exception to the rule have insurance coverage. Surely the bill should state the extent of the coverage required. This will be done by regulation, however.

This bill is typical of most legislation that comes before the House. It is in general terms. The meat of the legislation, what you need to know, will be put into law by regulations that do not come before the House. Members will not have the opportunity to discuss, debate, and receive feedback from their constituents. This is one of the faults of this bill, as with many other bills that come before this House.

I look forward to seeing this bill in committee. Hopefully when the minister appears he will give a detailed explanation of the various clauses or, alternatively, the members of his department will do that. This bill should remain in committee long enough so that interested pilots, operators, and groups will have an opportunity to make representations, whether

verbal or by way of written brief, to the committee. I repeat, I look forward to seeing this bill being discussed in committee in the near future.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on Bill C-40 I do so with two distinct interests. The first is with regard to Clause 2 which appears on page one of this bill. It refers to the misnomer "user pay" which the government uses so often. I suggest it is a misnomer because the government very carefully never defines what the user is going to be expected to pay with regard to the so-called government service being supplied.

Speaking about user pay, I must recall for hon. members what happened over the last week or so. The minister sponsoring this bill chose to fly to the Hamilton area aboard Nordair, a free flight. On arrival, he explained to those in Hamilton why he felt user pay was a good concept.

I rise to speak with regard to the user pay reference in this bill, the extension of authority in that connection which the minister is asking for, and the extended authority the minister is asking for with regard to the zoning of lands involved in airport development. The reason is that we have witnessed the federal government running our airports in an unsatisfactory way. For several years they have been in a deficit position. It is time that the government be called on to state why our airports continue to lose money while those of the United States, of comparable size and activity, are making money.

In my remarks today I want to cite certain examples in the United States where local airport authorities find the operation of airports one of the most profitable things they are doing. Because of this obsession with centralization in Ottawa, our airports, especially the larger ones, are now starting to go heavily into deficit.

I suggest that local authorities be established not only for the administration of airports in an area such as Toronto, but that the local authorities be given authority over commuter transit as far as the railways are concerned and, in the case of Toronto, authority over the local harbour facilities. In short, it should be a transportation authority that the federal and provincial governments should be working towards, as opposed to this outdated concept that, frankly, is a hangover from the depression when airports were accepted as a responsibility of the federal government. I say that because the evidence is clear. This government is not competent to run a local airport efficiently. Certainly in the case of Montreal, Toronto or Vancouver that goes without question.

When we are asked to consider a bill such as C-40, we must ask some questions. Is the time not right to turn away from this centralist approach with regard to Canadian airports and accept the local transportation authority concept for the running of facilities in such urban areas such as Montreal, Toronto or Vancouver? In advancing that, and I relate it to Clause 2 which speaks about user pay, I do so because the average Canadian has no objection to paying for whatever services he feels he is using.

However, I feel that the average Canadian takes great exception to paying for so-called costs that are needless. Frankly, that is now the case with our airports in Canada. It is not only the Post Office that is running up huge deficits, but airport activities.

● (1640)

If we go back in the history of the operation of the transportation department we find that the government at one time set up what was called a revolving fund in connection with Toronto, Montreal and Vancouver airports, a fund which was to be self-sustaining. And for a time it seemed to work. There was roughly sufficient income coming in to cover the expense of running these airports. But in the year just passed, that is, the fiscal year 1977, the expenditure in the three cities to which I have referred is expected to total $227.6 million and the revenue amounts to $121.5 million, leaving a deficit on the operation of airport facilities in those three cities of $106.1 million.

Let us get it straight. When the minister, in this bill, says the user should pay, what he is saying is that users should be required to pay for such deficits as these incurred in the operation of airports in Canada. It is as simple as that. So I think it behooves every member here to ask the critical question: has the government been prudent in running this show in a manner which has resulted in a $106 million deficit?

The deficit is broken down as follows: in Mirabel expenditures will amount to approximately $78 million and revenues will be about $22 million. There you have a loss of something like $56 million in the operation of Mirabel alone. Dorval made a small profit—about $5 million in the year to which I have referred. Toronto No. 1 at Malton, which used to make money, is now losing money to the extent of about $22 million under the guidance of the present minister and his predecessors. Pickering, that aborted white elephant which the government intended to place northeast of Toronto, is losing $18 million, according to the figures to which I have referred, and Vancouver shows a loss of approximately $14 million.

In short, in each of our cities, every one is losing money. For example, Toronto is the ninth busiest airport in North America; Montreal is the tenth busiest. Is it not unbelievable that these should be the only two airports on the entire continent of comparable size which are losing money? Surely the federal government and the minister who sits here today must accept some of the responsibility for this sad state of affairs.

In Chicago, Midway and O'Hare airports, for example, handle more passengers than the entire industry in the Dominion of Canada. O'Hare handles 54 million passengers and it is making money. In fact Chicago claims that this is one of its most profitable municipal ventures. I should like to point out that O'Hare is operated by a city department and is entirely a municipal responsibility. I would also point out that the Chicago airports are not funded even by the municipality. They are entirely self-supporting. This brings me to a point which hon. members should bear in mind.

In the United States they do not propose to expand airports or build new airports until sufficient revenue is guaranteed by the carriers wishing to use those airports to pay all the interest charges, all the depreciation, and to retire the bonds which would be required to finance the undertaking. In short, each airport has to be self-sufficient and capable of standing on its own feet, or it is simply not built.

In this connection, at the time the government was pressing so hard to build Pickering in the Toronto area, we on this side consulted with the Commissioner of Aviation in Chicago. Bearing in mind that at that time his airport was carrying seven times the number of passengers who were going through Malton I asked him whether any consideration had been given to the building of a new airport. He told me the matter had been considered but the decision had been taken in the negative, partly for environmental reasons, partly because it was felt that any need for a new airport would not surface before 1990. Moreover, the Chicago Commissioner for Aviation told me—and I felt this was most interesting, "Frankly, we could not afford a new airport such as you are contemplating at Pickering, or such as you have built at Mirabel."

Why should we in Canada assume that we can afford to do these things because a department of transport here in Ottawa says we should build an airport? Why should we assume we can afford an airport in circumstances in which, as the minister now tells us, the users will be required to pay? The fact is that if we wish to win tourists from other countries, particularly from the United States, we ought to be providing cheap transportation facilities. We ought not to start building white elephants such as Mirabel or the one proposed at Pickering.

Let us go back to the Chicago situation. In Chicago the airport authority is completely self-funding. The principal airport in Chicago, O'Hare, is the busiest in the world, as far as I know. From its conception it has been funded by floating revenue bonds, as they are called, and was the first airport to finance expenditures entirely out of income revenue. Those bonds are backed entirely by the ability of the airport to generate revenue. To this end, the bonding agreement requires O'Hare to break even each year; revenue always equal expenditures, and any surplus as it is called, is immediately distributed to the bond holders as interest.

To ensure that revenues are always sufficient to cover expenditures, landing fees are adjusted twice yearly. This system has proved so successful that the bonds, which were initially to be due in 1990, will probably be paid off in ten years—some have said they will be paid off even earlier, leading city officials to expect that the airport facilities in Chicago will become a significant source of income for the city itself.

What a contrast when we look to Canada, Mr. Speaker! In Chicago they regard their airport as a potential source of significant income. Yet we have a government which, acting through the present minister, is so incompetent that it is telling us that new powers are now needed to impose charges on a user-pay basis in connection with airports which should properly be running at a surplus, not a deficit. The phenomenal growth at O'Hare has seen traffic expand from roughly 10 million passengers—approximately the level at Mirabel at the present time—to some 44 million passengers in 1976. Approximately 700,000 operations are handled annually at that airport, or on an average about two a minute. There is an airport that is handling approximately two aircraft movements or operations per minute—700,000 in a full year—and they do not feel the need a new airport. They say they cannot afford it. Yet Toronto, which has a fifth of that volume, is said to be in such a state that they must have further development and the building of a second airport in the Toronto area.

● (1650)

I should mention two other airports in Chicago—Midway and Mieggs Field—which are both operating at a slight profit. In Chicago they have demonstrated they can operate their airports at a substantial profit, and not at a deficit such as this government is experiencing. If I had more time I would continue and tell you about the situation in Los Angeles, which is essentially the same as I have indicated. They are making money. Atlanta is making money and Boston is making money.

The New York Port Authority has published its 1976 annual report entitled "The Port Authority" and I recommend to the Minister of Transport (Mr. Lang) that he read it. Presumably he has not read it to date. That report spells out the activities in the three main airports in the New York area—Kennedy, LaGuardia and Newark. Two of those airports have activities larger than those handled at Malton, and one is smaller. Newark is smaller in that it handled 6,753,000 last year. LaGuardia handled 14 million passengers, and of course is bigger. Kennedy handled 21 million, roughly half domestic, half overseas, in 1976. All three airports make money. How come we in Canada, in comparison to those three airports I have mentioned, are losing money? I am referring to Montreal, Toronto and Vancouver. They are losing money, yet airports which are being handled by the Port Authority in New York and New Jersey are actually making money.

Over-all the balance sheet of the New York Port Authority is very, very impressive. In 1976, for example, they had operating revenues of almost $500 million. On that amount their income from operations was $95 million. They made almost 20 per cent on their total operation in that year, and that is after $90 million was charged against depreciation. After paying various items, such as the interest on their bonds of $78 million and interest on bank loans of $9 million, the Port Authority ended up with a net income of $37 million.

There would be no need in Canada for the so-called user-pay concept if the government ran our airports efficiently, or returned those airports to local authorities where they could be integrated with the general commuter activities which are presently needed in areas such as Montreal, Toronto, Vancouver and certain other large centres.

Some hon. Members: Hear, hear!

Mr. Stevens: At committee stage I hope the minister and his staff will be prepared to justify why they are losing the money to which I have referred. Before we bindly give him the power to charge higher fees on a user-pay concept, we must find out why they are running up the deficits to which I have referred.

I should like to touch on the second item in this bill which disturbs me greatly. I refer hon. members to page 5 which deals with this extension of federal power into the zoning of lands adjacent to or involved with airports in Canada. As the bill points out this is a new provision, and it is stated that this amendment would authorize regulations respecting federal land use control in relation to airports or airport sites. I should like to refer to the proposed two sections which concern me. The first is found at page 5, section 6(2), which reads as follows:

Subject to the approval of the governor in council, the minister may, by regulations, designate lands adjacent to or in the vicinity of an airport or airport site as a protection area to prevent the use or development of such lands or any part thereof in a manner that is, in the opinion of the minister, incompatible with the operation of an airport where . . .

And certain circumstances are then set out. I would also like to direct hon. members' attention to subsection (4) at page 6 which reads:

Any owner or lessee of lands forming all or part of lands designated as a protection area by a zoning regulation who was in occupation of those lands immediately before the zoning regulation became applicable thereto and who, at that time and in the course of such occupation, was making use of those lands or any buildings, structures or objects thereon in a manner that is incompatible with the uses prescribed therefor by the zoning regulation, and any successor or assignee of any such owner or lessee, may continue to do so unless such use by such owner or lessee is specifically restricted or prohibited by the zoning regulation.

I should like to summarize those two subsections, as I understand them. The minister, in effect, is requesting new-found powers to zone lands arbitrarily which are appurtenant or in the vicinity of an airport or an airport site. In subsection (4) he makes it clear that you can carry on your use, provided it is not prohibited under the new regulations which the minister is hoping to have the power to make.

When we look at page 8, subsection (10), we are told that the user of that land, if he has been prohibited under the minister's new regulations, is entitled to compensation in the amount by which his interest in those lands, buildings, structures or objects was decreased in value by the application of the regulation, minus an amount equal to any increase in the value of that interest that occurred after the claimant became the owner thereof and that is attributable to the airport or airport site. The minister is asking for new powers to affect the zoning and the land use appurtenant to airports or airport sites. He makes it clear you may not use your property in the future, if he designates a prohibition against it.

The compensation is a rather odd formula. First of all you have to show the extent to which you feel it has been depreciated, as a result of the government's move, but you must also add in any appreciation which may have followed from the airport being situated adjacent to you. Thus, it is a minus and a plus type of concept which the minister has proposed.

I should point out under subsection (11) that you must make your claim within two years. That is an arbitrarily short time because if they are going to put an airport in beside you, it takes time to build these airports and to see exactly what the traffic pattern will be after the airport becomes operational. That time should be longer than two years. A person will be in a position to lose his rights because the arbitrary time limit will have elapsed and he will not know, up to that time, the full impact of the airport activity which the government has placed in the area adjacent to him.

In subsection (12) the minister goes on to make it very clear that, except as set out in subsection (10) which is the compensation subsection, you are not entitled to any damages with respect to the airport development the minister has in mind.

● (1700)

The reason I want to dwell on these zoning provisions is that we have had a sad experience with this type of thing in my riding. Pickering is adjacent to the York-Simcoe riding, and in particular adjacent to towns such as Whitchurch-Stouffville, Markham, and other such towns. When the government wished to put Pickering into that area, it bought about 18,000 acres. That was very unfortunate. However, it also requested the provincial government to freeze about another 60,000 acres in the area on the ground that that could be a noise area. The government wished to have further development frozen.

The Ontario government went along with the request of the federal government at that time. Happily, most of that land has been released since the ultimatum was first given by the federal authorities. However, it was a very uncomfortable and unsatisfactory experience for all concerned. People who had farms were uncertain as to what extent they could continue to farm them. Businessmen and housewives were greatly upset with the arbitrary move made by the federal government with respect to that 80,000 acres which were to be included in Pickering and the surrounding area. Clearly the minister wants greater powers, presumably to mistreat local residents even more than they were mistreated in the Pickering area.

I feel that hon. members in this House have every right to demand from the minister before this bill is passed to know why he wants these unusual powers and rights. Surely people who live on property have the right to have the protection which has been guaranteed them by the British North America Act with respect to the use of their property? Up to the present time property and related rights have generally been considered purely provincial matters. Certainly town planning and zoning have been left to provincial jurisdiction. I think it is a very serious step backward when a federal government, especially the federal government through a department which is as irresponsible as the Department of Transport, now asks to be given the power to invade that property right which has been rarely invaded up until now.

The people in my area will be very concerned if this type of clause passes because unfortunately Pickering is not completely dead. We sense that the bureaucracy which burbles underneath this minister still wants to build one further white

elephant in Canada. I do not know why. Perhaps white elephants come in twins. However, the fact is that Pickering is not necessarily dead. If the government, heaven forbid, were ever re-elected and it felt it could get away with it, it might try to build that Pickering monstrosity. If that is so, I think we in this House should be most reluctant to give any minister, particularly this minister, the power to mistreat property owners. That could happen if this provision to which I have referred is passed, namely, Clause 6 of Bill C-40.

I know others may want to speak further on this bill, if not in this House, certainly in the committee. However, I would like to make two points in summary concerning Bill C-40. The first is that we would not need a user pay concept if the government would simply run its airports more efficiently. Second, we do not need to give any minister, particularly this minister, the power to walk over local land owners with respect to airport activities or even worse airport site activities. It must be resisted and I hope hon. members both in committee and in this House will resist this extension of power for a minister who is as irresponsible as the minister who has brought in this bill.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

An hon. Member: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

* * *

FARM IMPROVEMENT LOANS ACT

AMENDMENT TO INCREASE LOANS TO $75,000 FOR IMPROVEMENT OF FARMS, BUSINESSES OR FISHERIES

The House proceeded to the consideration of Bill C-48, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, before we move to third reading of this bill, I would like to ask for unanimous consent to move an amendment. There were discussions regarding this bill at the committee stage just last Friday, and the principle of this amendment was agreed to by the Minister of State (Small Business) (Mr. Marchand). It was indicated that an amendment in this form could be brought forward at report stage. However, because this bill came to this House at such a fast pace, we did not have 24 hours to give notice of this amendment. I therefore ask hon. members for unanimous consent to move this amendment at this time.

[Mr. Stevens.]

Mr. Marchand: Mr. Speaker, we agree with this. We have had discussions, and in the spirit of co-operation we want to allow this amendment to be proposed so that the hon. member can be given some time to discuss it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to join in making it unanimous that the hon. member have the right to introduce his amendment at the report stage, even though he did not give notice on Friday.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, given the tactfulness with which the hon. member informed us of his problems, we thus agreed unanimously that he may move his amendment.

[*English*]

Mr. Deputy Speaker: Representatives from each party have indicated consent, but I should also ask the House generally if there is unanimous consent to allow the hon. member to present his motion without the normal notice of 24 hours.

Some hon. Members: Agreed.

Mr. Otto Jelinek (High Park-Humber Valley) moved:

That Bill C-48 be amended in Clause 4 by striking out lines 23 to 33 inclusive at page 2 thereof and substituting the following therefor:

"small business enterprise" means a business enterprise

(a) the estimated gross revenue of which as stated in an application for a business improvement loan did not, for the fiscal period of the business enterprise in which the application was made, or, in the case of a business enterprise about to be carried on, will not for its first fiscal period that is of not less than fifty-two weeks' duration exceed $1,500,000; and

(b) the business is not part of an association comprised of itself and one or more other businesses in the said fiscal period in which the estimated gross revenue of the association of businesses exceeds $1,500,000."

and that Clause 4 be further amended by adding thereto:

"4.1 The said Act is amended in section 2 thereof, by adding thereto:

" "association" means an arrangement of businesses whereby the separate existence of those businesses is not solely for the purpose of carrying out the business of those businesses in the most effective manner and one of the main reasons for such separate existence is to reduce the estimated gross revenue, within the meaning of this Act." "

● (1710)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I may ask if copies of this amendment are available and, if so, could they be distributed to those who are here?

Mr. Deputy Speaker: We will see how soon we can fulfil this request. That is why I read the full amendment. We have copies available to leaders of parties, or hon. members can ask for them. Perhaps hon. members will allow us an extra minute to make them available to all members.

Mr. Jelinek: First, Mr. Speaker, I want to thank hon. members for giving unanimous consent to allow me to present the amendment at this time. Secondly, let me say that I have passed along copies of these amendments to the various House leaders and we are now in the process of distributing further copies to other hon. members who are interested.

The amendment may sound complicated but in fact it is very simple. The intent of Bill C-48 is to allow corporations with annual sales of less than $1.5 million to take advantage of the Small Businesses Loans Act, the Farm Improvements Act and the Fisheries Act. However, because of the lack of a general definition put forward by the government—something that we on this side of the House have been requesting for months if not years—confusion arises as to the definition of small business in this bill.

The definition of small business in this bill is one which has gross sales of $1.5 million a year or less. That definition was used in the act prior to this legislation. As a matter of fact, a major amendment in the bill before us is to increase that figure from $1 million to $1.5 million, something that we agree with because it spreads the eligibility to a greater number of small businesses. The problem is simply this, that there exists in Canada a number of corporations which may on their own have annual sales of less than $1.5 million, but which in fact are subsidiaries of large corporations, either Canadian or foreign owned, of multinational corporations more often than not, either in the United States, in Japan or elsewhere. I would like to give you a few examples.

There is a Canadian company in Toronto by the name of Toronto Iron Works whose gross sales in 1975 were $73,000. Therefore this made it eligible under this act. However, upon looking further into the matter one notes that Toronto Iron Works is in fact a subsidiary of Warnock-Hersey International which in that same year, 1975, had sales of $96 million. That is a Canadian owned company.

The second example is that of Nordex Explosives Ltd., of Montreal. In 1975 the gross sales of Nordex were $430,000. Once again, Nordex would be eligible under this act, and in fact under a majority of government programs which specifically define small business by its sales rather than giving a definition of small business. But Nordex Explosives Ltd. is a subsidiary of Dow Chemicals whose gross revenue exceeded $5.6 billion last year. This is certainly not a foreign owned company that should have the right to take advantage of Canadian government programs.

My amendment simply eliminates the right of subsidiary companies whose parent companies, whether they be Canadian or foreign owned, have sales of more than $1.5 million a year. It is a very simply amendment. The minister has indicated privately to me, as well as in committee, that he agrees with the spirit of such an amendment. In fact he said the following last Friday in committee:

I am happy to indicate to the hon. member that the Minister of Finance and I agree with the spirit of this recommendation and it would be our intention through the Department of Finance and the Department of Justice, and our own small business secretariat, to examine this question very carefully and see if an appropriate amendment could not be put at the report stage.

He went on to say:

We will make an undertaking that we will contact the hon. member also about the wording of possible amendments and keep him advised as we go along.

That was last Friday. Let me say, in fairness to the minister, that he did call me this morning. Neither he nor his officials had sufficient time to word their amendment. Therefore I sincerely hope that hon. members will take into serious consideration my proposed amendment to eliminate from this bill sudsidiary companies whose parent companies have sales of more than $1.5 million a year.

I see the minister is anxious to support this amendment, so let me just say briefly that this is another example of the lack of a definition of small business in Canada, especially when we can compare ourselves with other industrialized nations, whether it be the small business administration in the United States, the small enterprise agency in Japan, the small business sector in West Germany. All these industrialized nations, with a far healthier economy than ours, have a general definition of small business. The definition of a small business in the United States is as follows: "an owned or managed enterprise not dominant in its field".

Our recommendation from this side of the House—and certainly the recommendation of the Canadian Federation of Independent Business—is that the government adopt either a similar general definition of small business or the one that I put forward. The minister stated on a number of occasions that he listens very carefully if not to the opposition, to the federation. The federation has been making this recommendation, and I hope for the sake of clarifying problems like this and others related to small business that the minister would take the general definition into consideration. In the meantime I hope he will consider this amendment and include it in Bill C-48.

● (1720)

Some hon. Members: Hear, hear!

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, as I indicated when we allowed unanimous consent for this amendment to be put, it was so that the hon. member would have an opportunity to get it on the record and have it discussed. At this time, however, I am not willing to accept the amendment in its present form but I want to reiterate the commitment I gave in committee that the Minister of Finance (Mr. Macdonald) and I agree with the spirit of the amendment. Regretfully we were not able to get an appropriate wording for the amendment over the weekend. Drafters in the Department of Finance and the Department of Justice had considerable difficulty with the spirit of the amendment.

In his amendment the hon. member referred to an association which he says means "an arrangement of businesses whereby the separate existence of those businesses is not solely for . . .". I made a commitment to the hon. member on the telephone this morning that we would like to see this bill go through all stages and bring back an appropriate amendment, probably this fall. I think the hon. member agreed to this. As you know, Mr. Speaker, the act expires at the end of June if this bill does not pass. I hope, with the co-operation and understanding of hon. members, we can give speedy passage to report stage and third reading of the bill.

Mr. Deputy Speaker: Is the hon. member for High Park-Humber Valley (Mr. Jelinek) rising on a point of order?

Mr. Jelinek: Yes, Mr. Speaker. Perhaps if the minister can assure us that he will bring the bill back in the fall with an amendment intended to do the same thing that I recommended before the end of the calendar year 1977, we would be willing to have the bill go ahead with a few words on third reading. Could the minister give his undertaking that the bill with an amendment will be brought before the House before the end of the calendar year?

Mr. Marchand: Mr. Speaker, I think the record will indicate my intention.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am pleased to say a few words on Bill C-48. I listened with interest to the amendment submitted by my colleague, the hon. member for High Park-Humber Valley (Mr. Jelinek), and was delighted to hear the Minister of State (Small Business) (Mr. Marchand) say that the amendment will be brought in for consideration in the fall. I certainly think it merits the approval of this House because a small business loan is supposed to do just what it states—to help small business. The present legislation is supposed to help small corporations, but as I understand it, at present multinational corporations or even multi-Canadian corporations could qualify for the preferred business rates. Those particular companies would have no problem getting the necessary funds from their parent companies or banks, however.

There are certain clauses we approve of in the bill and others that we do not agree with entirely. The minister is to be commended for increasing the amount of the loan from $50,000 to $75,000 which, with inflation as it is, probably just means it is holding its own. The other increase is that a company can qualify if it has sales of up to $1.5 million. The total funds available are $600 million, which is an increase over the previous $300 million, but although it may sound like a lot of money, when it is spread over the many small businesses in the country it will be all taken up in a short period of time.

As we are all aware, over 50 per cent of the labour force in Canada is employed by small business, and 90 per cent of Canadian business enterprises employ 100 persons or less, so this certainly covers the great majority of business.

One thing that frustrates small businesses is the amount of government red tape they have to cope with, and it also costs them a lot of money. I hope the minister will allow a tax writeoff in certain cases so that they will not have so many problems. In the past the government granted substantial amounts of money to various departments to conduct research, but most of it has gone to big business and multinational corporations where sometimes grants of $300,000 have been made. If that were spread over small business establishments it would help a great many to improve their operating and production methods.

The Federal Business Development Bank provides large sums of money, and according to the Minister of National Revenue (Miss Bégin), it has committed $1.5 billion at the present time. She also pointed out that the average loan had decreased to $46,000. This shows that small business finds the Federal Business Development Bank a great help.

When we talk about taxes, reliable figures show that Canadians pay 42 per cent of the gross national product in some form of taxes collected by the three levels of government, federal, provincial and municipal. The future outlook is ominous. That 42 per cent figure will not remain stationary; it could climb to 45 per cent. Some pessimists think it could rise to 47 per cent. I hope not. I hope governments will restrain their spending.

• (1730)

Interests rates under Bill C-48 will generally be set by order in council. We hope they will be set at a reasonable level, a level acceptable to the many small businesses which will want to avail themselves of this provision. The Small Businesses Loans Act was first introduced, I believe, in 1960. It all sounded wonderful: businessmen were to get government guaranteed loans from chartered banks. Unfortunately, the chartered banks did not put up neon signs to advertise these loans; there were no newspaper headlines. Consequently, even now many small businesses do not know they are eligible for small business loans. The original intention was good; it just did not work out. Of course, with all due respect to the banks, the fixed interest rate sometimes was lower than the prime lending rate; so why should the banks lend money on that basis?

I had the privilege last Friday to question the minister in committee about these interest rates, and said in no uncertain terms that many small businesses in crying need of money have a difficult time getting money at any rate. They are turned down by the banks. I said the government should step in and make it easier for small business establishments to borrow money and speed up the process. I know of some tourist-oriented, seasonal businesses in my riding of Parry Sound-Muskoka which have a difficult time making ends meet between December and the beginning of the the tourist boom, usually in May or June, and they would willingly pay almost any rate for money. Some of them finally resort to finance companies, which charge much more interest than the banks do; but the banks will not lend these businesses money. If it were not for the finance companies some of these small businesses could be in dire financial trouble or even go bankrupt. Some people think of finance companies as gougers, as charging exorbitant rates, and so on, but forget the vital role they play in the life of small business. When speaking in committee on small business loans, I have spoken of small businessmen who want to borrow as little as $500, which the banks will not lend them. They borrow money from the finance company at 2 per cent per month, or 24 per cent per annum. It sounds as if the finance companies make a lot of money; actually on loans that small they lose money, and when I tell people this they just laugh.

Our forthcoming conversion to the metric system will also entail expenditures for many small businessmen. Judging from what colleagues on both sides of the House have said on metric conversion, the costs will be staggering, and small businesses will need to borrow under the Small Businesses Loans Act.

Small business depends to a great degree on the Post Office. I am sorry not to see the Postmaster General (Mr. Blais) here; he was here earlier this afternoon. The Post Office is the lifeline of many small businesses, and if it is not working well, small business suffers. We have it on reasonably good authority that the Post Office is not working well, that it is not firing on all 16 cylinders, so to speak, perhaps only firing on two or three. One hears rumours of impending strikes. How will they affect small businesses? Many of them will seek additional funds.

I know small businesses must be viable and that the government cannot throw money down the drain. Earlier today I discussed with the minister the difficulties of a certain businessman about to go under. The minister agreed to look into the case. The man in the tourist business is carrying a huge mortgage at 14 per cent. Perhaps through the federal business development bank or some other agency some solution can be worked out to keep his business afloat.

Our small business establishments are the very lifeline and backbone of our communities. By their very nature they provide a high degree of diversity, which contributes greatly to the stability of our towns and villages, indeed of our country. Yet little by little they are being forced out of business. Many of these people established their businesses over the years without receiving billions of dollars of government assistance in various forms. They built their businesses with hard work over long hours, faith in their communities, faith in themselves and faith in Canada. But no segment of the economy is more vulnerable than small business to the red tape of bureaucracy. They are defenceless in the jungle of conflicting requirements unless they hire corporate lawyers, tax consultants and government relations men, and people of that calibre are usually in the pay of large companies. Many regulations can put even prosperous companies in financial trouble, even bankruptcy.

Mention was made of the importance our neighbour to the south placed on small business. A report concerning small business says this:

1. The existence of a large number of small, independent businesses helps to preserve competition, thus ensuring increased efficiency and high quality and reasonable prices for consumers.

2. A large number of small independent businesses decreases the likelihood of excessive economic and political control.

3. Small business offers an opportunity for the expression and growth of personal initiative and individual judgment.

4. Small business is frequently the source of new products and new methods.

5. Small business constitutes a large and diversified source of employment opportunities.

6. Certain services essential to the economy can be performed best by small business.

It goes on to say:

In the United States, a national small business program has existed for almost three decades. Because of the Small Business Act, one third of federal spending for goods and services goes to small business. Since the United States has a program to benefit small business, we can hardly object to a similar Canadian program. Imagine what a larger small business sector could mean to Canada: more jobs, less need to import, retention of profits in Canada, and accumulation of valuable technological know-how. There's really no question. Canada must pass legislation committing the federal government to building domestic enterprises using the same wording and definitions as the U.S. Small Business Act. It seems to us that it's time Canada adopted something from the U.S. that makes sense for a change.

● (1740)

I am aware that there has been some assistance for the small businessman.

An hon. Member: A mere pittance.

Mr. Darling: Yes, but we are going to press for more. I am aware that many members opposite think the same way. I quote:

In the United States, it's different. The U.S. Congress has passed laws requiring that, wherever possible, small businesses should be involved in public purchases, whether aerospace projects or office supplies. On very large, expensive projects, the main contractor is expected to sub-contract much of the work to small firms. Last year, this policy resulted in one-third of the federal government's total spending of $54 billion being directed to small business.

I hope this government will follow their example. We have often been told that big is wonderful. However, we should start to realize with regard to small business that small is beautiful and efficient and we should give the small businessman the opportunity to compete and become bigger.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion lost on division.

Motion (Mr. Jelinek) negatived.

Hon. Len Marchand (for the Minister of Finance) moved that Bill C-48, to amend the Farm Improvement Loans Act,

the Small Businesses Loans Act and the Fisheries Improvement Loans Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave now.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Len Marchand (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Deputy Speaker: The hon. member for High Park-Humber Valley (Mr. Jelinek).

Some hon. Members: Hear, hear!

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I am happy to see that finally even the government members are giving me recognition and applause. I will be very brief. I do not want to rehash what was said on second reading as well as the committee stage.

Bill C-48, as hon. members know, is before us only for the purpose of extending the act which would have expired at the end of this month. As the hon. member for Parry Sound-Muskoka (Mr. Darling) stated, the eligibility level is being raised as well as the amount at which loans will be guaranteed which, by the way, merely keeps up with inflation. Therefore, there is no further assistance to the small community.

I have touched on the subject of definition which is a matter of great importance for the future. This was covered previously in my amendment. Interest rates is another matter which concerns me greatly. This was discussed at second reading and in the committee stage.

What concerns me most is that not only the minister responsible for small business but his officials and those involved in small business matters are not with it, if I can use that term. For example, they were asked in committee about the breakdown of the number of businesses between small business, farming and fishing as dealt with by this bill. They did not have the answer. They did not know who applied for the loans and was turned down. They did not know what the criteria was based on for raising the eligibility level to $1.5 million. They did not have reasons for the criteria raising the loans from $50,000 to $75,000. They did not have answers to anything pertinent to the small business community.

Not one of these officials dealing with this bill or other matters relating to small business was ever a small businessman himself. They had no knowledge of the small business community in their provinces or the potential solutions emanating from these debates or from interested groups in past months.

I said I would be brief and I will be. I only have one other matter that I ask for on behalf of the small businessman. It has been said in the past, I say it again and will continue to say it in the future. The government cannot deal with the problems of small business until it has an overall policy that deals with all problems relating to small business.

We know some of the problems, such as the excessive amount of paperwork, government intervention, regulation and control as well as restrictions placed on small businessmen. We know the small problems. We even have some potential solutions to those problems. What we do not have in this country and what other countries do have is a general overall policy, as we suggested in an opposition day debate a week or two ago, under a small business act. That is the only way we will catch up to other industrialized nations in dealing with the problems of small business.

The minister has been in this portfolio for nine months. A woman can have a child in that amount of time, but the government cannot have a policy. We have heard no suggestion of a policy. Bill C-48 is simply an extension of the act. Nothing has been done for the small business community of this country. That is one of the underlying reasons for the continuing problems in our economy, both in the case of secondary manufacturing and productivity as well as our current level of unemployment.

In closing, I cannot state often enough that it is of great importance for the minister and the government seriously to consider initiating at the earliest possible date a small business policy, possibly under a small business act.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

• (1750)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Since we seem to have moved along fairly well, and since it is a little late to start a new bill in the field of agriculture before six o'clock, I wonder whether we should not proceed to the adjournment debate. I see that the first two members on the program are here.

Mr. Goodale: That proposal makes sense, Mr. Speaker, but it might expedite our business at eight o'clock if we could have the motion formally on record; that is, item 34, which is the next order of business.

Mr. Knowles (Winnipeg North Centre): It is a motion for second reading. You won't gain anything by doing that.

Mr. Goodale: It would simply save time at eight o'clock, if members were in agreement. I do not suggest we should begin the debate.

Mr. Knowles (Winnipeg North Centre): It doesn't save any time, and the minister is not here.

Mr. Deputy Speaker: I would point out to the parliamentary secretary since the minister is not here that if the government wishes to introduce the motion another minister would need to move it on his behalf, and the floor would likely go immediately to the opposition because if I put the motion now an hon. member would take the floor and call it six o'clock, which would entitle him to the privilege of speaking at eight o'clock. So the hon. member's suggestion is not as satisfactory as perhaps he thought it was.

Is it agreed we should call it six o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—DATE OF DECISION ON PROVISION OF FUNDS FOR URBAN TRANSIT PROJECT

Mr. F. A. Philbrook (Halton): Mr. Speaker, I wish to pursue a matter which has been of concern to me and to many of my colleagues for some time and which I raised again recently with the Minister of Transport (Mr. Lang) during the question period.

On June 2 I asked the minister whether a decision had been reached concerning the provision of promised federal financial assistance to provincial and municipal authorities in improving commuter transit facilities in metropolitan areas. This decision, which relates to an announcement made in 1974 that the federal government intended to spend $290 million on transit aid, $100 million of this on commuter aid, has already been deferred on several occasions.

For example, the Ontario minister of transport, the Hon. James Snow, who lives in my own constituency, sent à telegram to the federal Minister of Transport on February 24, 1977. I should like to quote from his telegram:

> At our meeting of Nov. 30, 1976, wherein we discussed such matters as the Toronto transportation terminal redevelopment, federal participation in the acquisition of bi-level commuter rail equipment and the proposed federal urban transit assistance program, you agreed to respond to our queries and concerns by Dec. 1976. I confirmed the position of the province on these matters in my letter of Dec. 7, which to date has not been answered. Subsequently, through discussion at our executive level, we were advised that the federal position would be made known to us by late Jan., 1977.

The text of this telegram was published in the Oakville *Journal-Record* and elsewhere on March 7. The Ontario minister goes on to say:

> I would stress the urgent need for a clear statement of the federal government's intention so that we can proceed with or cancel planned projects on a rational basis.
>
> I would therefore request that you advise me at the earliest opportunity of the federal government's position on the Toronto transportation terminal, the acquisition of commuter rail equipment and finally the urban transit assistance program.

In his reply to me, the minister indicated that a decision still had not been reached on the matter. In addition, he stated that the province of Ontario had yet to avail itself of the substantial assistance provided through existing programs. Mr. Speaker, I must consider the hon. gentleman's reply as both ambiguous and inadequate. What assistance? What programs? Incidentally, we are not asking the government to spend more money but to rearrange its spending. I raise the matter again at this time because I believe it is imperative that a decision be made, and made soon.

It would, of course, be preferable, for reasons I have outlined on numerous occasions both in this chamber and elsewhere, if the final decision was rendered in favour of the proposed aid. At this stage of the game, however, I think it is most important that a decision be announced one way or the other so that those who must budget according to this decision can proceed apace with their efforts to upgrade public transit systems on a rational basis. With respect to the Toronto area in particular, projects such as the expansion of Union Station, the removal of the bottleneck at Bathurst and the extension of commuter service to Milton have been placed on a back burner by the Ontario government as they await a commitment from Ottawa to help out.

Meanwhile, funds which might be put to good use on smaller projects elsewhere are tied up until a decision is made. For the sake of clarity, I would point out that the existing programs to which the minister referred in his reply to me constitute only a partial fulfilment of the original announcement. The five-year $100 million capital assistance program to commuter services, which apparently came into effect on April 1, 1977, would be particularly welcome. However, in the absence of an announcement we have no idea where we stand with regard to this aid. Also, it represents only about one-third of the sum originally set down, and is woefully inadequate.

For example, the deficit of the Toronto Transit Commission alone amounted to about $50 million in 1976. Here in Ottawa, the transit deficit for 1976 was about $14.8 million and the projected deficit for this year is $15.4 million. Admittedly, the federal plan was not designed to cover operating costs, but these deficits indicate the gravity of the problem. The fact that no money has yet been requested by the Ontario government under this capital assistance program may indicate that it does not wish to tie itself into one program while the possibility remains that more money may be available later under a separate, more generous scheme. Separate programs involving grade separation and railway relocation represent separate promises and should not be confused with this issue.

For these reasons, I repeat my request that the Minister of Transport move expeditiously to reach a decision on this pressing matter with the aid of the Minister of Finance (Mr. Macdonald), so that the business of providing efficient public transit may proceed smoothly. Again, I ask: When can we expect a decision to be announced on federal financial assistance to public transit?

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all, I should like to congratulate the hon. member for having brought up, once again, that important matter concerning urban transit systems. I am sure several hon. members—and I notice the hon. member for Laprairie (Mr. Watson) is here this evening—would also like to hear a statement on the participation of the federal government in the financing of urban transit systems. For lack of time, it is impossible for me to outline all the steps which have been taken to help the provinces, and indirectly the municipalities through the provinces, with the urban transit program. I therefore refer the hon. member to the statement I made on March 8 last on the official policy of the Department of Transport on urban transit.

[*English*]

In response to a question raised on June 2, 1977, the Minister of Transport (Mr. Lang) stated that no further decision had yet been reached on the question of federal government assistance for urban transit projects. The province of Ontario has taken the position that the project for the expansion and improvement of Union Station in Toronto, otherwise known as the Toronto transportation terminal project, should be funded in part by the federal government. Of the estimated $58 million cost of the project, the provincial government has determined to its satisfaction that it should contribute only $26 million while the federal government should provide the remainder.

● (1800)

Federal ministers have met with the premier of Ontario and appropriate provincial ministers to discuss the Toronto transportation terminal project and federal officials have participated in the work of a committee which has responsibility to examine, plan and ultimately implement a number of measures which would permit the capacity of Union Station to be increased in order to provide for the growth of commuter services—that is, GO transit—over the next few years. The position taken by the federal government to date has been that it agrees in principle with the need for some improvement to Union Station, the trackage in its vicinity, and that it is prepared to consider participation to the extent that existing federal government programs may be applicable. There has not been any agreement to a particular proportion of the costs nor to any particular figure.

The GO transit services in the Toronto area provide effective transportation to the residents of those communities which they serve. The province of Ontario has done and is doing good work in the development of these services, which have an excellent reputation throughout North America. I must stress, however, that expansion at Union Station is required because of the expansion of these commuter services, which are the responsibility of the provincial government. At this time the details of the commuter program implementation have not been finalized by the government, as it wishes to consider how this program should relate to its role in the general area of urban transportation assistance and to its priorities in the light of fiscal restraint.

The question raised by the hon. member also applies to Montreal, Vancouver and all across this nation, and I hope we will deal with this important matter in the future.

NORTHERN AFFAIRS—NORTHWEST TERRITORIES—INVOLVEMENT OF LOCAL GOVERNMENT IN PROGRAMS TO DEVELOP POLITICAL AWARENESS OF NATIVES—GOVERNMENT POSITION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, on Thursday, April 28 of this year, at page 5062 of *Hansard*, I raised the very important issue of local government in the Northwest Territories. I have no intention of repeating the questions and responses on that particular date. However, it is quite obvious that the minister's response was self-explanatory and explained his lack of understanding regarding the issue of local government in the Northwest Territories.

Perhaps I could put the importance of that issue in its proper context by reading a Telex from the president of the Inuit Tapirisat of Canada, Michel Amarook, which was sent on March 30, 1977 to the Minister of Indian Affairs and Northern Development (Mr. Allmand). The Telex reads as follows:

> The cancellation of this week's local government training workshop in Baker Lake points up once again the colonial mentality that dominates the government of the Northwest Territories.
>
> It also reveals the territorial bureaucrats as the bumbling incompetents that they are.
>
> We demand that the Commissioner of the Northwest Territories make public the documents and background information concerning the mandate of the territorial government to help develop political awareness among native people.
>
> We would appreciate also a clear statement of policy from you on the rights of native people to self-determination. From the events over the weekend and during this week in Yellowknife, we can only conclude that the territorial executive is determined to hinder political development.
>
> A statement by the settlement council of Baker Lake suggests that future responsibility for political development and local government training in Nunavut territory should be assumed by Inuit Tapirisat of Canada. If the funds can be made available to us, we will be only too glad to take on this responsibility.
>
> We fully support the public statements that have been made by the settlement council of Baker Lake and by John Amagoalik, the director of land claims for Inuit Tapirisat.

This is just one simple, isolated incident of several with respect to the issue of local government in the Northwest Territories. I want to emphasize that there is a department of local government in the Northwest Territories. Let me quote from the employees' handbook some of the objectives of that department as follows:

> To develop political and social awareness and administrative capability at the community level.

Under the heading "Programs" the handbook says the following:

> The Department of Local Government is responsible for political development at the local level;—

Further on this manual, which is for the employees of the Northwest Territories, and related specifically to the issue of local government, states:

> Encourages the development of political and social awareness and administrative capability enabling the people of the N.W.T. to achieve local self-government.

I want to emphasize that that policy is in existence, and that was the issue I was raising in the House on that particular day when questioning the Minister of Indian Affairs and Northern Development (Mr. Allmand).

Following a recent visit to the north it is my impression that the department of local governmemt has not fulfilled its mandate and that there is a growing alienation and suspicion directed toward the central government regarding this issue. I readily admit that in theory the department of local government has developed a philosophy which should accelerate the development of local autonomy but for the most part it has been counterproductive where it has been implemented. In effect, the government pays lip service to local political development and in many ways works against it. I have considerable correspondence which would substantiate that observation. There is a general absence of local fiscal responsibility, which works against the development of local autonomy in the north. Surely it must be apparent that local government will evolve into a northern form of local government, but it must suit the needs of the people in those northern communities.

Finally, the evolution of local autonomy implies the development of a proper balance of decision making capability between all levels of government, and that balance does not exist in the north at the present time. If we are to see a positive impact on the life of the local population, local government is needed. It must be there to meet the needs of the people at the grassroots level, and it is absolutely essential in this context.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the development of local government in the Northwest Territories has long been recognized as a valuable objective within the general context of northern development.

In January, 1965, the commissioner issued a policy statement outlining the educational, political and administrative importance of local government. Essentially the policy called for the decentralization of government activity so that wherever possible local community services could be supplied by democratically elected community institutions. This was reinforced by the report of the Advisory Commission on the Development of Government in the Northwest Territories issued in 1966, which recommended a continuing and intensified program for the development of local government as crucial to the economic, social and political development of the north.

When the seat of government for the Northwest Territories was moved from Ottawa to Yellowknife in 1967, a department of local government was established and a new, simplified method of local incorporation was provided under the hamlet ordinance. In addition, settlement councils were formed in virtually all unincorporated NWT communities so that direct participation by residents in local matters became possible. It is encouraging to note that indigenous natives now constitute the overwhelming majority of local council membership. The approximate figure is 75 per cent over-all and 90 per cent if one eliminates several of the larger population centres.

In its initial phase the territorial government's development program concentrated on raising the level of political awareness at the community level. The rapid increase in the number of local councils, however, created an urgent need for programs to be developed which would better prepare local people for an effective role in their councils. This resulted in a change in emphasis in the development program from political awareness to legal and administrative functions and the practical mechanics of local government. This change in emphasis was not accepted by a group in the department of local government, who resigned their positions when the territorial government's policy was reaffirmed to them.

• (1810)

I would like to comment briefly on what I understand were the objectives and concerns of that group, since they are the key to the basic issue. The members felt they had a responsibility to work with communities to bring about self-determination in the form of new structures and mechanisms of government. This implied a rejection of the existing constitutional forms of government, both territorial and local.

Neither the government of the Northwest Territories nor the federal government would deny the rights of any segment of the population to work towards objectives which they believe desirable, and that would include those seeking basic constitutional development.

TRANSPORT—RAIL LINE ABANDONMENT RECOMMENDED BY HALL COMMISSION—INQUIRY AS TO FORM OF APPEAL AVAILABLE

Mr. Craig Stewart (Marquette): Mr. Speaker, as reported in *Hansard* of June 2, at page 6212, I asked the following question concerning the Hall Commission report:

> Mr. Speaker, my question is for the Minister of Transport. Since certain areas of western Canada will be severely affected by the Hall Commission's proposals for rail abandonment, particularly region 4 area of western Manitoba, and since it is proposed to close some of those lines as early as December 31, 1977, can the minister say what form of appeal is available to those communities which feel the report deals unfairly with their areas?

In his reply, the Minister of Transport (Mr. Lang) stated that he was surprised that I would ask such a question. He said he understood from other members of his party that the Official Opposition gave practically unanimous support to the recommendations of the Hall Commission. He then went on to say that the usual channels of appeal were open to these communities through the Canadian Transport Commission.

First of all, I think we should set the record straight. All parties here in Ottawa agree in principle with the Hall Commission report. However, there are some areas of this report that we and many people question. The Hall Commission report, which was recently tabled in the House, is 555 pages long. With a report of this size, there will be areas of disagreement with some of the proposals, particularly those dealing with the closure of branch lines.

I am sure that members of the Hall Commission never felt that their report would be accepted word for word. That is why I ask what line of appeal or recourse there will be for those areas that feel they have been treated unfairly. This has certainly been the case in region 4 area where the large majority of the trackage involved is located in the federal constituency of Marquette. This area loses far more lines than most other regions in western Canada.

I might add that the people in this area of Manitoba are so concerned that they have written the Minister of Transport asking him to attend a public meeting there this month. The reason they invited the minister is not to abuse him but to find out from him at first hand what way they should turn. They hope the minister will attend. Many communities are affected, communities such as Rapid City, Oak River, Cardale, Isabella, and all communities on that line as well as many others too numerous to mention.

There are several proposals in region 4 area which I question and to which, I feel, there could be sensible alternatives. In the time allotted to me today it is impossible for me to mention all aspects of the report as it affects region 4. There are several points I want to make, though.

The fact that the commission has recommended the closure of all branch lines between the CN mainline and the CP Winnipeg-Edmonton line has come as a shock to residents of this area. Already the farmers of this area have held meetings and are preparing petitions as they feel they have a legitimate complaint. They feel that through the years the railways have deserted them as far as service is concerned and now they feel their elevator companies are letting them down.

They also feel, and I have been contacted in this regard by many farmers from the area affected, that the figures presented to the Hall Commission as to the potential movement of grain on some lines to be closed are not accurate figures. As some of these lines are recommended for closure by December 31 of this year, they naturally ask where they can appeal this decision.

Another part of the report for region 4 that concerns me is the recommendation that the CN line from Neepawa-Rossburn-Russell be transferred to the prairie rail authority. This suggestion gives me grave concern as I feel strongly that this line should be part of the basic network guaranteed to January 1 of the year 2000. By placing this line under the prairie rail authority the grain companies will then say that as there is no long-term guarantee on this line there is no need to give proper service or to upgrade elevators. Then several years down the road, when further reviews are made on this line, the grain companies will say that, because of the condition of the facilities, it is no longer a viable operation.

Much the same has been done on the Hallboro-Beulah line that is now recommended for closure this year. These are just a few reasons why I feel there should be appeals on some of the recommendations in the report.

I cannot accept the minister's answer, and neither will the farmers of western Manitoba, that they can appeal these closures through the Canadian Transport Commission. This line of appeal has always been available to farmers ever since the CTC was formed. Not only can this be very costly to the communities involved, but they have not much faith in the CTC. The majority know that the chairman of the CTC is the Hon. Edgar Benson, a former minister of finance. They still remember Mr. Benson's white paper on taxation and they are still feeling the effects of his implementation of the capital gains tax and also the tax on recaptured depreciation on farm machinery. Most producers feel that the suggestion that they go to Mr. Benson and the CTC with their appeals is like sending them to the devil.

I am sure that if the Minister of Transport looks again at the Hall Commission report, and particularly the map showing the closures of lines in region 4, he will agree they have been far too harsh in their proposals for that area. Again I ask the minister and the government to announce a proper line of appeal and recourse for areas that sincerely feel they have a legitimate complaint in this initial report. Because of the time element involved, I would hope the minister would do this at an early date.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, at the outset I think I should stress three points about the Hall Commission report.

First, it is apparent that the Hall Commission has done a thorough, conscientious and widely respected job. Mr. Justice Emmett Hall and his co-commissioners have established for themselves a very broad and solid base of support across the prairies and credibility for their thorough work.

Second, I think it is important to note the almost unanimous chorus of support for the Hall Commission report from farmers, farm organizations, grain companies, co-operatives, municipalities, railways, provincial governments, editorial writers, western observers and commentators. In fact, I think you could look over the history of western Canada and not find a subject where there has been the degree of unanimity that there is about this report.

Third, it is important to remember the calls for swift and positive government action in response to the Hall Commission report coming from all the groups, organizations and individuals I have mentioned. The government of Canada has clearly demonstrated its intention to respond accordingly.

The hon. member makes reference to the Hall Commission recommendations for prairie rail line revitalization, and in particular to proposals which relate to region 4 of the Hall study. The Hall Commission indeed recognized the unique

nature of region 4 and commented specifically in the report as follows:

There is no area in western Canada which is overbuilt with railways to as great an extent as the area to the north-west of Brandon bounded by the Carberry Canadian National Railways line to the north. In a space of 50 miles, the area is traversed in an east-west direction by eight railway subdivisions. There has been no rail abandonment in this area since construction. Although there has been some rationalization of the grain handling system, it has been relatively slow to occur. In the face of rapidly escalating costs of grain elevator operation, it is evident that many of the fully depreciated, physically sound facilities will be rendered uneconomical in the very near future.

● (1820)

Grain company managers informed the commission that in 1970 a fully depreciated elevator was economically viable if it had an annual handle of 150,000 bushels. By 1975 a handle of 250,000 bushels was required and it is estimated that by 1980, any older elevator handling less than 500,000 bushels, and any new elevator handling less than one million bushels, will be non-viable. Even drastic alterations to handling tariffs will not overcome the difficulties because larger scales and new driveways will be required for the older houses along with new longer car spots.

Just as elevators with low handlings will not be rendered viable even with altered tariffs, many rail lines with low density traffic will not be rendered compensatory even if new rates were established which would permit railways to receive higher revenues for grain haulage.

Under these circumstances, it is evident that a drastic reduction in the number of grain delivery points will occur over the next few years. This reduction in handling facilities is inevitable and in the interests of economy and improved service should be accompanied by a reduction in railway mileage.

The report went on to conclude:

In this area where alternate hauling distances are short to main and secondary main lines and where the majority of the elevators are either not viable or marginally viable, fairly drastic alterations are warranted.

With respect to the question of appeal, the point is covered by the Railway Act, sections 252 to 254. I shall be pleased to send the hon. member copies of those sections.

Mr. Deputy Speaker: Order, please. The motion to adjourn is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: It being 6.30 o'clock, I do now leave the chair until eight o'clock p.m.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN WHEAT BOARD ACT

MEASURE RESPECTING ESTABLISHMENT OF MARKETING PLANS

Hon. Otto. E. Lang (Minister of Transport) moved that Bill C-34, to amend the Canadian Wheat Board Act respecting the establishment of marketing plans and to amend the Western Grain Stabilization Act in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, I believe it may be found on this occasion that when we come to the conclusion of second reading debate there may indeed be a disposition to proceed with this bill in the Committee of the Whole. However, that can be determined at that point in time.

Bill C-34 arises out of some issues relating to marketing of grains on the prairies, particularly out of questions surrounding the marketing of rapeseed. This has been the subject of a plebiscite in the prairies. It seems apparent that some of the producers who liked the opportunity of private marketing of rapeseed nonetheless would appreciate the opportunity to obtain an average price for their product by a pooling arrangement. In this way they would not have to attempt to play the market and determine for themselves when the time was right to market their grain, particularly their rapeseed.

For a larger producer wanting that particular arrangement, this was always possible by arranging his deliveries over a regular period of time, marketing his product at different points in time. For smaller producers, that was hardly possible. The difficulty for a producer or farmer, when he happened to sell at a low part of the market and his neighbour sold at a high part, was one of those obvious human considerations which concern many of us.

What this bill does is to make it possible for voluntary pooling arrangements to be created. It is essentially voluntary in two ways. The pooling arrangements will depend upon the willingness of participants in the rapeseed market to come forward and develop them and obtain the participation of farmers in them. This then depends upon the companies normally marketing grain—the pools, the other individual companies or groups of them—to put together a voluntary pooling arrangement.

It is then voluntary for the individual producer, who may choose to market on his own at his own time and at his own judgment of the market, to enter into a pooling arrangement so that when he has finished his year he will obtain the average which his particular pool market would have been able to obtain for the selling of rapeseed.

There is an interesting aspect here. It may be possible for several pooling arrangements to exist side by side. A bit of competitive spirit would certainly then exist. The result at the end of the year in terms of the total returns from one pool compared to others will no doubt have an impact on the willingness of farmers to deliver to a particular pool and, indeed, to enter into a pooling arrangement at all.

● (2010)

We are asking parliament to add a couple of features so that voluntary pools may be more effective than in the past. First, the bill permits the pooling arrangements to become part of the permit book procedure so that it is more certain that those who enter into a voluntary arrangement will remain in it. This

is a contractual measure to which people ordinarily commit themselves in any case, but there are many pressures upon persons who join a pool, as hon. members know, especially if price changes make non-pool prices more attractive. By the use of the permit book, involving basic control over the delivery system which has, for good reason, been associated with the Wheat Board throughout its existence, we may be able to make the pooling arrangements more effective.

Second, in order to offer an advantage which is essential to both the pools and to any major holding operations we propose to allow for the setting of additional prices which will carry the same kind of guarantee from the treasury as exists in the case of the Wheat Board initial price today. This is an important provision, one which may at various times cost the treasury money, but it is designed to encourage producers who might be under pressure of some kind not to dispose of their grain outside the pool. It is another change which makes the voluntary pooling system more viable.

That is the nature of the law. It is a voluntary arrangement. No farmer is bound to enter into a pooling arrangement if he does not wish to. Many farmers who like pooling arrangements believe that the Wheat Board might well set up one in relation to rapeseed, too. Single selling is part of the Board's operation but it is not intended to create a monopoly, or monopoly selling.

The other thing to note is the reaction of the companies or others who may be interested in promoting pooling arrangements. The bill is an enabling vehicle which allows these pools to be created. It provides for an initial price and a permit book to assist in making the arrangement more effective, but the assistance of particular companies, and a good reaction from them, are necessary for its complete fulfilment. I very much hope that the wheat pools on the prairies and other companies, either together or singly, will take advantage of these provisions and move to set up pools for rapeseed so that farmers who want the average price and find it difficult to arrange their own selling without this assistance may have such opportunity.

I commend the bill to the House in the hope we may pass it here and send it to the other place for consideration so that the planning may begin and voluntary pools may be created at a relatively early date.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think I can put the mind of the minister at ease at the outset by saying there is absolutely no disagreement on the part of the Official Opposition as to the principles of this bill. I would commend the minister also on his manner of presentation. If he does not mind my saying this, sometimes he irritates us by the self-assurance with which he presents legislation. But tonight he was groping, as all honest men must grope when dealing with circumstances of this kind.

The history of these pools, either voluntary or compulsory, goes back 50 years in western Canadian history. I shall not bore the House tonight with all of that history but it is necessary to understand a little of it in order to fully comprehend what the minister is trying to do.

In the early stages of marketing in western Canada wheat prices would always be high as the crop was growing. As soon as the crop started coming off the price seemed to drop to the bottom, at the very time the farmer desperately needed money which to pay taxes, pay for the operation of his farm, set enough money aside to keep him and his family during the winter months and still leave some over to pay for seeding in the spring. When most of these farmers had sold their grain the price always seemed to rise. But then they had no more left to sell.

This desperate human problem encouraged the development of the pools in the early twenties. The pools fell into trouble in 1929, 1930 and 1931. As recently as six months ago a book was published in Winnipeg giving the history of this period more authentically than any book has done before or since. The author did not finish his book—it was completed by others after his decease—but throughout this whole period he was in a unique position to understand what was taking place both as an adviser to the grain business and as adviser to governments. His name was Clive Davidson. He worked under the governments of both Mackenzie King and R. B. Bennett. This man has been forgotten by many but he has shown the dimension of the human problem and what was done in response to it by the governments of that day. What the minister was talking about when he raised the question of the voluntary pools was this. In the thirties when the pools went broke and could not pay for the initial payment, they had to borrow money from the provinces of Manitoba, Saskatchewan and Alberta. When those three provinces could no longer support the financial strain the federal government backed up the loans. As a result of this survival procedure, which was carried on from 1930 to 1932, there was general agreement to support the concept of what was eventually known as the Canadian Wheat Board. In the original bill of 1934 and again in the bill which went through the House partially in 1935, pooling was compulsory. This was fought vigorously, even viciously, if I may use that expression. This was taking away the freedom of the farmer to sell when he pleased. In spite of that, the bill got to the second reading stage, and under tremendous pressure from the opposition, the government amended the bill to make a choice. You could sell to the pool or on the market. That was the system that lasted from 1935 until 1939.

• (2020)

In 1939 part of the history of this parliament, which is forgotten, is that it passed four bills to get rid of the Wheat Board. Those four bills that were passed by this House to get rid of the Canadian Wheat Board were never proclaimed, because the war came along and the government of the day realized that the Canadian Wheat Board was perfect machinery to impose a system of price controls over the farmer. The Canadian Wheat Board was used as a device from 1939 and 1940 to well after the war as a system of controlling the farmers' income—the price of their grain.

Not many members of the House will remember the British wheat agreement of 1946 in which for four years we were locked into an established price based on the false assumption that there was too much grain in the world. The price was so poor that at the end of those four years parliament felt constrained to vote a sum of money in compensation to the farmers for part of the money they had lost.

This utilization of the Canadian Wheat Board as a restrictive weapon was not in the original philosophy of the Wheat Board at all. The original philosophy of the Wheat Board was simply that of a pooling device, primarily for a farmer to get an average price regardless of where he sold his grain and regardless of where he lived and the delivery took place. It was averaged out grade by grade.

Since 1949 we have had a constant debate in western Canada over the merits of the compulsory pool versus the voluntary pool. Generally speaking there will be no argument from any western member here when I say the great majority of farmers in western Canada still hold to the belief that wheat, their main crop, should remain under the 100 per cent compulsory pool. That does not mean they are 100 per cent happy with the operation of the Canadian Wheat Board. It means, on their main product, they are content to take this discipline of the pool as being better than going back to the ups and downs of the market mechanisms around the world.

The price is supposed to be set, as far as Canadian wheat, Australian wheat and Argentinian wheat are concerned, by their respective wheat boards. They are supposed to calculate the amount of grain on supply around the world. They are supposed to calculate what the demand is going to be. They then try to set a price which they think will give the best price to the farmer over the whole crop year of selling. Occasionally they make mistakes, and I suspect they made a mistake last September. Only time will tell. That is how the Wheat Board operates. It does not actually sell wheat. It is simply a price setting mechanism to meet the farmers' main demand—that they get an average or pool price.

Turning to this question of voluntary pools, a good many farmers in western Canada maintain honestly and sincerely that all grains produced in western Canada should be under the compulsory pooling of the Canadian Wheat Board. Their arguments are well known. Since we have accepted this principle for wheat, likewise why not accept it for all grains to be absolutely fair to everyone? However, in view of the plebiscite, the minister knows that the great majority of farmers, even though they accept the compulsory pooling of the wheat, are reluctant to go into compulsory pooling of the other cash crops—oats, barley, feed wheat, rapeseed, flaxseed and so on.

An hon. Member: What do you mean by "oats" and "barley"?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Oats, barley, feed wheat and so on are their cash crops. The decision of the minister in this bill is not only sound politically but it has a rationale of economics behind it. The rationale of economics on rapeseed is that there is such a difference between the price you get in some years when you sell eastward and the price you get when you sell westward. I do not have a list of comparative figures for each year, but one year, for example, the difference was almost 90 cents, if you were in that part of the west where you could ship your grain westward as opposed to eastward. Each year the difference can vary a great deal. Some of the difference is caused by the freight rate structure, but mostly it is because of where the market is. Therefore, there is an economic argument that those producers who produce rapeseed feel that justice demands, if you are in Alberta or Manitoba, that you should get the same price for an equal product. That is a good argument for equity and fairness; there should be a pooling.

The other argument which the minister mentions is sound and fits in with those who want an average price over the year, as opposed to taking their chances on the day to day quotations on the value of that grain. Even though I have said the great majority of the farmers do no want all grains on a compulsory pooling, a good proportion will go for the voluntary pools, because they feel there is still going to be some competition in the voluntary pools under this bill.

We have several companies which sell rapeseed. Some are privately owned and deserve credit, because they are the ones which went out and developed the markets. Approximately 20 years ago rapeseed was a minor grain from western Canada. Due to the research done by the National Research Council here in Ottawa—the work was actually done in Saskatoon—the difficulties we had in selling our rapeseed have been overcome. It is now suitable to make margarine or a vegetable oil for which there is an insatiable and increasing demand around the world.

There are also private companies and co-operatives, and even if they got together, as the minister has suggested, there would be competition in selling. The price will still be set by supply and demand because the people who set supply and demand prices do so primarily on statistical evidence of past records, potential demands and supposed supply. But they have made serious blunders. The information is computerized and is disseminated worldwide. As I have pointed out many times across the country, the Chicago exchange, with all its boasting, can go so far wrong that it did not even know in 1971 and 1972 that the world was out of wheat. The wheat price sank to about $1.60 for our top grades. A year later Canada and the United States were out of wheat, and the price went up to $5 and more.

● (2030)

The point I am making is that the ordinary farmer, who has little or no time to worry about world supply and demand or to read all those sheets of information he gets, which half the time are wrong, would rather take an average price over a series of years so that he can concentrate his time and effort on farming and not on trying to market. On the other hand, there are other farmers who want all the cash they can get at the time they need it. Some seem to have a sixth sense when they sell. These people would probably want to take their chances

on selling on the cash price basis. So this legislation meets the demand of those who believe that compulsory pooling is sound. It also meets the demand of the farmer who would like to have a little freedom to make his own decisions on when he buys and sells. This voluntary pooling allows for that.

I think the minister is quite right when he says that there has to be some discipline in the pool. In the first place the great danger with pooling is that you pay that initial price, and if the world price drops below that initial price for a good part of the crop marketing year, there could be tremendous losses. Therefore, there has to be some form of financial responsibility for that initial price, and this the government has assumed in this legislation, as I understand the minister.

That is why I said at the beginning that Her Majesty's Official Opposition approves of the principle. This plan would not work without that financial guarantee. Second, the permit book means that a contract is made and that the farmer knows that for that year he is in the pool. He cannot keep changing his mind every six weeks. That will cause a little bit of static because every so often the price is going to go soaring up. At that time he will want to be on the free market so that he can get the advantage of those soaring prices. However, once he signs with the pool and has his permit book, he is locked in for that year.

With those two points of discipline and the new features, as the minister calls them, I think these voluntary pools have a fairly good chance of working. I asked, because I did not know the answer, what about the financial responsibility beyond? As I read the legislation, the minister and the governor in council have to be assured that the plan proposed by the private company, the co-operative, by a group of them or by a new company, is soundly worked out so that they will be able to do the things that the pooling operation demands—pay their costs, pay the interest costs and all the rest of it—and then pay the amount which is left over on a fair basis to each of the members of that pool. Those who are not in the pool will take their chances. They will sell and take the price which is paid on the day they sell, so they will feel fairly satisfied.

There are a couple of other little points, but I think they are important. The development of rapeseed as a cash crop in western Canada has not only served the northern districts of our provinces well by providing them with a type of crop which does well in northern climates, where there is higher productivity but great risk because of the shortness of the season, but it has also met a great need all over the world. As I look over the various products which can be produced in the world, I do not find one of them which has a better future than oilseed crops, whether produced in Canada or any other place. As a matter of fact, I keep looking at the clay belt of northwestern Quebec and northeastern Ontario and wonder why all that good land lies idle when the world so desperately needs what that land can produce in the form of oilseeds. I look at other places in Canada and visualize the possibilities we have not only with rapeseed production but also with the other crops to produce the things Canada and the world need. This is not a time for a long series of remarks on that. These items may be small today, but they are going to be big in the future.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

I think I speak for my whole party when I say that the principles of this bill are good. We cannot say for sure that it will work perfectly because I can foresee the difficulties which are going to arise. I think the way the act is set up is sound. It meets the main difficulties. If we go into Committee of the Whole, I hope the minister will be able to respond to some of our doubts and questions about some of the clauses. All they can be at the present time are doubts and questions because we really do not know until the legislation has been tried.

I think this parliament would serve the country well by allowing this amendment to the Canadian Wheat Board Act to go forward, looking on it as a broadening of the activities of the Canadian Wheat Board, in keeping with a principle which I think is current with the majority of the farmers of western Canada. They want wheat kept as a compulsory pool, but on the other products they are of divided mind. I think this meets the demands of both sides of that argument. The argument is sincere and well discussed. It is not a question of something strange. Western producers know the arguments on both sides, and I think this is a pretty good effort to meet what the people want for this particular product, rapeseed.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before us today, Bill C-34, is one which urban members might think is rather boring, but I want to start off by saying to them that if it were not for the oilseed industry and the grain industry in Canada, this country would be a net importer of food. If we took away the proceeds from oilseeds and grain, last year we would have had a deficit of some $1.9 billion in food products, which is really quite startling for a country with the acreage and the small population we have. So one of the important industries we have is the oilseed and grain industry.

Bill C-34 amends the Canadian Wheat Board Act provisions dealing with oilseeds, particularly rapeseed. How that commodity is marketed is important to rapeseed producers. There have been many discussions and arguments for many years about rapeseed and how we should be marketing it. Voluntary pooling, which has not played a significant part in the prairie farm marketing system since 1931, may take on a major role in rapeseed markets under the proposed legislation we are talking about today.

On January 28, 1977 the minister responsible for the Canadian Wheat Board introduced Bill C-34 to provide for voluntary pooling of rapeseed and other non-board grains. The bill proposes changes to the Canadian Wheat Board Act to allow associations or firms of producers, processors or traders to set up voluntary pools approved by the minister and to receive federal government guarantees for 90 per cent of the initial payments against pool proceeds.

Other provisions in the bill amend the Western Grain Stabilization Act to bring commodities marketed through approved voluntary pools under that act. Although Bill C-34 allows for the implementation of voluntary pools for other non-board grains, government spokesmen have concentrated

primarily on the question of rapeseed and their proposals for the rapeseed industry. Spokesmen for major grain traders and the government are agreed that it is extremely unlikely that pools will be set up for other non-board grains. Therefore, we should be directing most of our comments toward rapeseed itself.

Other grains such as rye, flaxseed and buckwheat are not produced in large enough quantities to make a pool practical. There are few major buyers. In the case of buckwheat, my understanding is that there about three major buyers in this country, and much of the crop is forward contracted. A voluntary pool is now operated for sunflower seeds by the CSP plant in Altona, Manitoba, which is the major buyer of this commodity. Other companies, notably the company the hon. member for Regina-Lake Centre (Mr. Benjamin) talks about a lot, Cargill Grain, make occasional purchases, usually at the top of the market.

This proposed legislation would enable the implementation of voluntary pools for domestic feed grains—feed wheat, oats and barley—which are now part of the Wheat Board's compulsory export pools.

● (2040)

Since Bill C-34 deals mainly with the question of rapeseed, I think I should turn to rapeseed for a few moments. The demand for compulsory pooling in rapeseed has grown up to a point where a vote was held some three or four years ago which showed that 46 per cent of rapeseed producers wanted rapeseed marketing through the jurisdiction of the Canadian Wheat Board. I suspect that in my constituency, which is a representative area of rapeseed growers, the percentage has increased since the vote was taken some time ago.

Rapeseed was first grown in Canada in 1943. It dies out after the war, but reappeared again in 1955. In 1971 the crop hit a record 95 million bushels in Canada—a spectacular rise. Rapeseed now accounts for 7 per cent to 10 per cent of the Canadian farm income from field crops. However, the production remains very volatile. Even now in the 1970s annual production figures have risen or fallen by 20 million bushels four times since 1970. The returns to the producers have also fluctuated with the rise and fall in the production of rapeseed in our country. For example, if you go back to 1971 you will find that the smallest production of rapeseed was in the crop year 1974-75 when some 41,217,000 bushels of rapeseed were produced. Meanwhile, in 1971-72, 69,838,000 bushels of rapeseed were produced in Canada.

The price of rapeseed to producers also fluctuated almost as widely as the production of rapeseed itself. In 1971-72 it was $2.16 a bushel to the farmer. Four years later it was $7.06 to the farmer. A year later, in 1975-76, it was $5.10 to the farmer—a great fluctuation in the price the farmer was receiving. In the August and November period, for example, preceding the rapeseed poll in December 1973 which I referred to where 46 per cent of producers wanted rapeseed marketed through the Canadian Wheat Board, Winnipeg prices showed a spread of $2.64 a bushel, ranging from a high of $6.80 on August 14 to $4.16 on October 2. So you can see that there is a great fluctuation in the price that rapeseed producers get for their commodity, making it difficult for many of them to plan their production, in terms of their incomes and their expenditures, for the operations they are trying to run.

Canada's export position in rapeseed is quite unlike that in wheat. This country controls between 17 per cent and 25 per cent of the world's wheat export crop. The only major competitor that wheat has in world food markets is rice, the annual production of which is usually about the same as wheat. This gives the Canadian Wheat Board appreciable leverage in world markets and makes it easier for them to compete in world markets and to plan ahead.

On the other hand, Canadian rapeseed faces stiff competition from soybeans, peanuts, cottonseed, sunflowers and palm oil in world markets and at home. Processors are relatively willing and able to switch from oilseed to another if price differentials arise, and they make that switch quickly.

Rapeseed accounts for only about 6 per cent of world oilseed production, which is a small percentage. The market is keyed to soybeans; soybeans make up half the world's oilseed supply and 80 per cent of international trade. The market for soybeans, to make things worse, is notoriously volatile.

Canada's position as the world's leading exporter of rapeseed—a 70 per cent share in four of the last five years—is neatly checked by Japan's position as the leading importer, and their share has grown to 70 per cent over the last five years. When the rapeseed debate was going on, both sides in that plebiscite, campaign or debate, cited Japanese opposition to compulsory pooling as an argument for their side. The Rapeseed Producers' Association of Canada argued that producers could not afford to alienate their best customers; the three pools argued that the Japanese position proved that pooling would increase producers' bargaining power.

The pools were outraged when the Minister in charge of the Canadian Wheat Board (Mr. Lang) proposed the operation of a voluntary pool during the plebiscite campaign, when the people voting thought they had a clear choice as to what they wanted to do in terms of marketing their commodity. But part way through the campaign the minister changed the rules of the game. The co-ops felt that the promise convinced some of the wavering producers to stick with the open market in order to try to reap the benefits of both systems. It is like what my friend the hon. member for Regina Lake Centre (Mr. Benjamin) would say, that they wanted to be half pregnant; they wanted to benefit from both the systems. That is one of the reasons why it was voted down.

Whether or not the minister's timely announcement affected the result of the voting is unsure, but it had an impact. Producers did reject compulsory pooling. Only 46 per cent of them voted to market their product through the Wheat Board. Now, more than three years later, the minister is finally making good on his promise to bring about voluntary pooling.

The bill itself allows for the implementation of two types of voluntary pools. In the case of street price averaging, pro-

ducers could opt to have a portion of their street price retained by a pool and averaged for a final payment. There is some controversy over whether this is really a pooling proposal. Price averaging can now be done by timing deliveries through the crop year or to forward contracting. This proposal does not seem to add much to the marketing system or hold any benefits that producers cannot already realize in other ways. In the case of full pooling, which is the other type of pool, proceeds from contracted deliveries would be pooled and producers would receive initial and, theoretically, final payments.

The possible benefits of voluntary pooling for rapeseed should be examined when we are debating the bill before us today. Since pools would bear at least part of the marketing risks normally handled by the futures market, the amount of hedging on this underspeculated market would drop. This could improve the market's performance and end chronic inversions.

The formation of producer groups might bring pressure on the Wheat Board to give higher priority to rapeseed in the allocation of quota and grain cars and so improve the handling of rapeseed. However, the board now attempts to match deliveries to sales, and further concessions to rapeseed producers could lead to a backlash from other commodity groups. The formation of pools by associations of producers who are not currently marketing rapeseed could lead to a growth in the quantity and quality of marketing information and expertise in the trade.

The effect of voluntary pools on market development would depend on their size. Small pools would do little or nothing to develop new markets; the best development work could be done by a single large pool that could afford the associated costs. That is why I argue that we should have rapeseed marketing under the authority of the Canadian Wheat Board. The difficulty of predicting annual patronage would work against long term marketing plans of these small pools.

However, if pool periods are set at, for example, three to five years, the pools could engage in longer term forward contracting with major customers. But the past history of bootlegging—this was a real problem for many years in the prairies—and the likelihood of it reoccurring, make long term sales contracts a risky proposition. I am referring, of course, to the bootlegging of grain.

One of the main features of Bill C-34 is the imposition of stricter delivery enforcement measures. Bootleggers would face conviction under the Canadian Wheat Board Act rather than civil suits if they were caught, and inspectors would be designated to check that producers whose permit books were endorsed for a voluntary pool delivered to that pool.

This provision sounds more meaningful than it is, however. The government's intention now is to appoint a couple of inspectors, probably part time, for the whole prairie region. We all know how large the prairies are. It would be a difficult task for a small army of inspectors to prove beyond a reasonable doubt that bootleggers' yields had not indeed varied between pool and open market acreage. Even when producers are suspected, the establishment of their guilt in criminal court would be, if anything, more difficult than in a civil suit.

Voluntary pools would remove seasonal fluctuations from producer prices. They would be relatively unable to stabilize rapeseed markets unless a single pool or a few large pools were able to exert market pressure. Given the nature of the international oilseeds market, this effect would be marginal at best unless most or all of the Canadian crop was jointly marketed. However, additional expertise and effort in marketing would in theory have a positive effect on producer prices.

Producers would benefit if organizations competed to maximize returns to members; elevator companies might cross-subsidize voluntary pools to attract patrons, although that seems highly unlikely from their current attitude. However, these benefits would be temporary and would place pools without the resources of the elevator companies at a serious competitive disadvantage.

Pooling would definitely give producers increased bargaining power with domestic crushers and could raise returns from that sector. But this could force marginal processors—already facing substantial transportation disadvantages to compete even in eastern Canada—out of business.

On the other hand, Bill C-34 gives processors the right to create voluntary pools. Processors will probably be the first to set them up, either in self-defence or to gain a competitive edge over their rivals. The possibility of conflicts of interest if crushers operate pools and continue to buy on the open market is real. Some of the new crushing plants are in desperate financial straits and may try to use voluntary pools to lower their seed-buying costs.

Similarly, elevator companies would face conflicts in assigning sales to pools or their own stocks. The temptation would be to assign high-priced sales to company stocks and low-priced sales to the pool. This creates another problem for this House and members of the Standing Committee on Agriculture which should be looked at very seriously before legislation is passed to establish voluntary pools.

However, firms operating pools could require a producer board to make all marketing decisions or could pro-rate all sales between pool and open market stocks. These devices would reduce the possibility of conflicts. The costs of operating voluntary rapeseed pools are not yet known. I do not think the government or the minister could hazard a good guess as to what the costs will actually be. To my knowledge, government officials have not attempted to cost voluntary pool operation. It is clear, however, that the larger the pool the smaller the per-bushel operating costs will be. Logically, a single pool operated by the Wheat Board—that is the argument this party has made for many years—which already has the necessary accounting systems in place, would show the smallest operating charges and would make the most sense for the country and for the producers.

The most important aspect of the bill is the provision for federal government guarantees of 90 per cent of initial payments. This could bring stability to the rapeseed market and

encourage production. However, if history repeats itself, the pools will be marketing residual deliveries and will stabilize prices at lower levels than they could theoretically realize.

Initial price setting in the complex oilseeds market will be a difficult task; it will be more difficult if pools do not have the market power—that is, size—to be able to withstand pressure to sell below initial prices. Large well-funded pools could wait out low prices; small ones would have to take their losses or face bankruptcy from mounting storage and carrying charges.

The complexity of the international and domestic market is a key consideration. The additional flexibility that voluntary pooling would add to the system is accompanied by a great deal of additional complexity. The benefits of voluntary pools must be more than theoretical to justify this added complexity.

Bill C-34 adds complexity not only to the rapeseed market but to the non-board grain markets as well. Although current conditions make the operation of voluntary pools in domestic feed grains unlikely, conditions will change and pools would be set up if opportunities for profit existed. If opportunities for profit are not there, I am sure the pools will not be set up by crushers or Cargill or anybody else who wants to make money from the hard labour of the farmers.

This raises the possibility of the federal government guaranteeing 90 per cent of the losses of a privately-operated pool competing with a government agency. Here we have a privately owned pool established by the government to compete with the agency of the government, the Canadian Wheat Board. That does not make sense. Again it is more unnecessary complexity at an unthought of benefit—or cost—to producers. We should be looking after the producers and not creating fatter bank accounts for the crushers or Cargill.

Voluntary pooling will introduce additional complexity and potential conflicts of interest into the prairie farm marketing system and return unproven but at best marginal benefits to producers. The greatest benefits may indeed go to producers who continue to use the futures market.

Perhaps this is one of the reasons behind the bill. Does the minister hope more and more producers will go to the futures market, weaken the authority of the Canadian Wheat Board, weaken orderly marketing and then one day we will all wake up and he will be able to say that very few people are interested in the Canadian Wheat Board and orderly marketing so perhaps the board should cease to exist? I am sure the minister or his advisers have that in mind as an objective when they introduce a bill such as this.

Returns for pool patrons would be maximized and most development benefits realized by a single pool marketing all or most of the crop and with the market power to overcome rapeseed's relative insignificance in the oilseeds trade. However, when producers voted against marketing their crop through the Canadian Wheat Board they essentially rejected the single-agency approach.

Bill C-34 attempts to solve the problems that have led to historical failures in voluntary pooling. However, while it changes the rules, it does not change the game; the basic causes of past failures remain. When the government introduced the bill I think they forgot some of the lessons of history I went over in my remarks this evening that made voluntary pooling a failure in the past. The attempt by government officials to reach a compromise is the creation of a beast, and I think is worse than either of the two options open to the farmers. Bootlegging could only be controlled by a compulsory board. The readiness of producers to deliver to outside pools to maximize returns will not magically evaporate.

Rapeseed producers had 40 years of Canadian Wheat Board experience to examine when they voted in the 1973 plebiscite. At least some of them wanted the best of both systems—I think that is what the minister is trying to provide tonight—and that is one of the leading causes of voluntary pooling failure. Voluntary pools, if they are implemented under Bill C-34, are likely to fail again as they have failed before.

For these reasons I oppose the bill, Mr. Speaker. I urge the minister to consider very seriously the changes we have argued for in this House in the past, namely that all prairie grains be marketed through the Canadian Wheat Board and all prairie farmers share the risks and share the profits from marketing their crops. A society develops through working together in this way. When we examine the record we find that voluntary pooling has been a failure in this country; it is not likely to succeed for rapeseed when it has failed in the past for other commodities. I therefore look forward to asking the minister questions in committee and, on behalf of this country's rapeseed growers, hearing him clarify some portions of the bill.

• (2100)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, let me say at the beginning that I support the minister on this bill. Perhaps it is not the solution everybody wants, and it may please few, but at least it is an attempt to satisfy those who, in the rapeseed plebiscite, showed some interest in pooling rapeseed production. They want to set up some mechanism for pooling. Representatives of grain handling companies told me in private conversation they would be willing to look favourably on a pooling system and, if enough people are interested, it could succeed.

We have only four or five large grain handling companies in western Canada, the three pools, UGG, Cargills, a private company, Pattersons, and a couple more. Farmers through their organizations control between 75 per cent and 80 per cent of all grain handled in the west. Since farmers control so much of grain grown, I see no reason why they should not if they wish set up a voluntary pool system. I cannot say how effective it will be, since if the farmers were to use only one pooling system or the Wheat Board to sell their rapeseed, production would drop off, as would sales.

Rapeseed is fairly widely grown in the west and sold on the open market. Despite the disadvantages of the open market, some farmers prefer to sell on it, including those who have the Wheat Board market their wheat, barley and oats. They recognize, as the hon. member for Yorkton-Melville (Mr. Nystrom) said, that rapeseed forms only a small part of total

world oilseed production. Most vegetable oil comes from soybeans, and the price of rapeseed oil bears some relation to the price of soybean oil. Both soybeans and rapeseed contain meal and oil. Sometimes oil prices are high; sometimes meal prices are high. Sometimes the prices of rapeseed and soybeans appear out of line; but this happens when the price of soybeans fluctuates for oil and meal, or vice versa. Some tropical countries, including Malaysia, produce coconut oil and palm oil. Perhaps these oils will be serious competitors for rapeseed and soybean oils. Most of these palm oil plantations have been financed with American money and American farmers are asking why their money is being used to produce a product which competes with soybean oil. Vast acreages in Brazil are being cultivated for soybean crops. Clearly, rapeseed by itself does not command a market. On the other hand, demand for our wheat is strong.

Hon. members have related what happens to wheat prices when wheat is in over-supply. The United States and Canada control about 70 per cent of total wheat exports; therefore on the face of it it should be easy to draw up some commodity agreement. But past experience shows that commodity agreements do not work. For instance, the last time the Wheat Board held an umbrella over our wheat market, in 1968 or 1969, I think, our competitors quoted two or three cents a bushell less and took all our orders.

No one mentioned, I think, how we establish market price, or how the price discovery mechanism works. At present prices are determined on the Winnipeg Commodity Exchange, but those prices bear a close relation to the soybean market in the United States. As I said, rapeseed and soybean prices are not interchangeable or necessarily comparable, because one may sell for its oil and the other for its meal. I understand that only on the Winnipeg Commodity Exchange is there a futures market for rapeseed. If trading in the commodity should end because not enough is traded, I suggest the market price of rapeseed could go down.

In addition, we should have no price discovery mechanism. The Canadian Wheat Board uses the Chicago grain futures and futures posted in Kansas City and Minneapolis for its price discovery mechanism. The board phones Chicago about every ten minutes to see if wheat has gone up or down, and posts its prices accordingly. Canada has an excellent reputation for selling wheat of high quality. Although world wheat marketing has changed, people prefer to buy some of our premium wheat over American redspring and Australian wheat. Our wheat is among the best in its class, and has high protein content.

What sort of people grow rapeseed? From my experience, the rapeseed grower is usually interested in trying a new crop and selling it himself. Many farmers are content to grow wheat, haul it to the elevator, let the Wheat Board sell it, and go back to the land to grow some more. Rapeseed growers seem more interested in raising a special crop, harvesting it and selling it themselves. Rapeseed needs more husbanding than the wheat or coarse grains we grow on the prairies. You must harvest it more carefully, be more careful when using herbicides, and careful when determining selling time. Many successful farmers of my area who grow rapeseed and flax feel they can do better with those crops than with wheat or coarse grains whose price the Wheat Board sets.

Since wheat tends to be grown on land used for summer fallow, it follows that wheat should give the farmer a higher return than oilseeds which tend to be grown as a second crop and not marketed through the Wheat Board. Theoretically, oilseeds should bring the farmer a smaller return. But those who follow these matters have discovered that, generally speaking, the oilseed grower realizes somewhat more than if he sold wheat, barley and oats. This is significant. It indicates that, as far as oilseeds are concerned, the open market provides returns in line with what the Wheat Board can do with wheat. The return is comparable to growing wheat, at least in the area that I represent.

• (2110)

Considerable difficulties will arise with the voluntary system. A grower who selects a pool may be quite happy at the beginning of the year when he receives his initial payment. What happens as the year goes on and the price goes higher than he expects to receive from pooling? It does not matter to him that he may have sold quickly and was guaranteed an initial price. It does not matter that he took advantage of that. When the price goes up, he will be unhappy that he did not hold off joining the voluntary pool and instead sell on the open market. Human nature being what it is, you always expect to get the highest return possible. Those who sold their grain or rapeseed early in the crop year may realize a reasonable price. It may have been low, but they have received their money for it. Those who hold their crop take a chance as to whether they are going to receive more later in the year.

The problems raised by the hon. member for Yorkton-Melville (Mr. Nystrom) with regard to bootlegging are quite real. They are also real in the Wheat Board's handling of wheat, oats and barley when there is an oversupply.

As for the previous situation with regard to barley, a parliamentary committee was set up to study whether barley was being bootlegged, being sold from farm to farm at lower than the elevator price. The answer was that there was an oversupply of barley. Farmers were glad to get rid of it at any price. There is no point having a high price for a particular grain unless you can sell it.

There will be this problem of so-called bootlegging. It may be that two farmers will set up a scheme whereby one will join the pool and the other will not. They can take advantage of the situation, selling whichever way is the most advantageous, either through the pool or selling non-pool.

There is also the question of advancement of initial payment. From reading the bill, I assume the government will be involved in some sort of underwriting of an initial payment. I do not see how the pool would be able to guarantee a high initial price without running some risk. In a highly volatile oilseed market, there could on occasion be disastrous results if the initial payment is set too high. On the other hand, if the

payment is not set high enough, there will be no one interested in joining the voluntary pools.

I believe these problems could be worked out. There could be a *modus vivendi* whereby those who want to pool will have an opportunity to do so. Perhaps with time and experience the problems that arise could be worked out and the scheme made to work. I know that many oilseed and rapeseed producers prefer the open market. The plebiscite showed that. I am not averse to having this pooling.

This bill is not the perfect solution. It is experimental and possibly visionary. At least it is an attempt to come to grips with the problem of 200,000 or so permit holders with different ideas as to how their grain and oilseeds should be marketed.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, after listening to the minister and the two speakers from the official opposition, I have reluctantly to conclude that there are still people around who do not learn from history. They do not profit from experience whatsoever.

I listened to the spokesmen from the government and official opposition expound the beauty and advantages of the open market *ad nauseam*. When the majority of the grain producers vote for the open free market, who are the first ones to run into this House saying they want a 90 percent guarantee of the initial payments of the voluntary pools? My free and open market friends. Where is the free and open market they say is so good?

How come that great commodity exchange and the great free open market for rapeseed and flax and other grains is so beneficial to the farmer? Why is it necessary to have voluntary pools which will sell that rapeseed on the open free market which, according to the government and the official opposition, is so beautiful? Both of them feel it should have a 90 per cent guarantee of initial payments against pool proceeds.

I thought this free and open market that the majority of rapeseed producers fought for was the be all and end all. That is what I thought from listening to the Liberals and Conservatives. In this legislation we have nothing more than the government, supported by the official opposition, shoring up commodity exchanges and oilseed speculators. It has little or nothing to do with the protection of the incomes of grain producers. It cannot succeed in light of the history of voluntary pools.

If the government were genuinely sincere about their support for the Canadian Wheat Board and the free and orderly market, they would quit trying to have it both ways. The government and the official opposition like to run on both sides of the street at once. They talk out of both sides of their mouths at once. They want wheat, oats and barley under the Wheat Board, and flax, rye and rapeseed on the free market. They want to have it both ways. The government will put up a guarantee in order to shore up their friends on the commodity exchanges. I question their motive and sincerity. I certainly question their logic.

I am disappointed in the failure of the government to study the history of voluntary and contractual pools in western Canada since 1921. Voluntary pools are marketing pools in which membership is not compulsory as it is under the Canadian Wheat Board. They will be required to deliver all or part of their production by means of contracts. In this case I presume it will be signatures and permit books. I thought it was to be a voluntary pool. If it is a voluntary pool that the government and the official opposition want, why do they bring in that old bogeyman and make it compulsory? If you can volunteer in, why can't you volunteer out? Again they want to have it both ways. They want to talk out of both sides of their mouths. They are all for orderly marketing; rape boards are a great thing. They want voluntary pools with government guarantees to shore up the free and open market system.

● (2120)

Voluntary quotas assume the existence of some contractual delivery obligation on the patrons of that pool and Bill C-34 would oblige. Where is the "voluntary"? The bill obliges producers to deliver to their voluntary pool once they have joined. If you can volunteer in—I ask the question again—why can you not volunteer out?

Volunteer pools have risen and fallen before on the prairies. The most spectacular rise and fall was that of the wheat pool in 1923 to 1931. The voluntary pool was established then in the hope that it could recapture for the producers some of the benefits they had enjoyed under selling agencies during and right after the first world war. Then they had compulsory orderly marketing and it was felt that by having voluntary pools, starting in 1923, they could get the same benefits.

Well, what happened? The Canadian Wheat Board had removed seasonal fluctuations in prices to producers by pooling returns for the whole crop and making initial and final payments. Initial payments had also reduced the farmers' dependence on banks for operating capital. In 1921, a year after the Wheat Board was abolished and futures marketing had been reinstated, the average price to producers was down by 85 cents a bushel, a drop of 34 per cent from the previous year.

Producers in those days were more than even convinced that speculators were robbing them and the then premier of Saskatchewan, W. A. Martin, asked former Wheat Board chairmen James Stewart and F. W. Ridell to report on the prospects of voluntary or contract pooling. Their report cautioned that no voluntary or contract pooling would benefit producers as much as one compulsory pool such as they had experienced under the Canadian Wheat Board during the first world war. The report said voluntary pools could reduce seasonal fluctuations in producer prices and were worth a try. They pointed out that three-quarters of the prairie wheat corridor crop was marketed in one quarter of the year when prices were chronically depressed, and that more orderly marketing would increase the price to producers. Consumers would benefit as well, they said, because flour prices were tied to wheat prices. Consumers were buying flour made from low-priced wheat at

high-priced wheat rates later in the year. I submit the same thing could and would occur with rapeseed products.

Both Stewart and Ridell proposed voluntary pools as opposed to contract pools operating alongside the open market. They said contract pools would be too difficult to implement because farmers would not want to sign up for an untried system. Well, they were wrong about that. Contract pools were implemented in 1923-24, when the price of wheat was down $1.43 from its Wheat Board high. The pools merged and eventually claimed 140,000 members selling half the western wheat crop to a central selling agency. Prices bounced up 65 cents a bushel in 1924-25 and remained 20 to 30 cents a bushel higher than the free pool open market prices until the record crop year of 1928 was marketed for just a little less than the 1922 crop. With the onset of the depression and falling grain prices, the pools ran into insurmountable difficulties. They were unable to realize sufficient returns to make initial payments without borrowing from the government. This saddled the three farmer-owned co-operatives with debts they were unable to pay off until 15 years after that voluntary pool system went broke.

Under this pressure the pool was forced to lower initial payments and it became clear that patronage for new pool periods was sure to decline. Producers reneged on delivery contracts in massive numbers. Bootlegging was not new, Mr. Speaker. In 1926 when Saskpool officials estimated they had 80 per cent of the province's wheat acreage under contract, they received 56 per cent of the deliveries. And that was a so-called voluntary pool, Mr. Speaker.

Some members delivered to the open market when they felt returns there were better. That reduced the pool's ability to maximize returns for all pool members. Although the pool did not survive, it did contribute to economic growth and development in those years, 1923-28. It certainly removed seasonal fluctuation from prices paid to patrons and it appears to have raised prices to producers substantially over what they might have expected from the open market during that five-year period. As a result of that experience, pressure from grain producers was certainly increased—politically, that is—for compulsory pooling and the return of the Wheat Board by educating farmers in the advantages of single desk selling and of collectively extending their risk-taking further into the marketing system to reduce those risks and maximize their return.

The pool of the 1920s, Mr. Speaker, pioneered in the field of market development as a central selling agency. It bypassed the Winnipeg Grain Exchange. It sent agents overseas to promote direct sales to major customers. It contributed to the development of co-operatively-owned storage systems to reduce handling margins paid by producers. The number of country elevators owned by the three provincial wheat pools increased from 119 in 1925 to 1,650 in 1931. That was when the co-operatives controlled one-third of the country's terminal capacity. Those figures represent a substantial part of the 1,667 country elevators added to the system during the life of that pool during the 1920s.

Let me turn now to a little more recent history. Those provincial pools tried again to return to voluntary pooling in 1959 when they were looking for a tool to encourage rapeseed production. The various voluntary pools achieved an initial 40 per cent sign-up, but four years later patronage had fallen to 18 per cent and the pools were dissolved when the Winnipeg Exchange opened trading on Vancouver rapeseed futures.

Again there were serious problems of bootlegging to the open market where prices were higher. Bootlegging was done through whom, Mr. Speaker? I wonder whether the Minister in charge of the Wheat Board (Mr. Lang) or the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), were he the minister, would implement the provisions of this bill in the knowledge that bootlegging will again be done as it was in 1959. How? Well, through members of the same family; through neighbours; through friends. I can see the Minister in charge of the Wheat Board ordering his inspectors to press criminal charges against members of a rapeseed grower's family or his neighbour or friends. I wonder whether the hon. member for Qu'Appelle-Moose Mountain will gallop around the prairies with him insisting that criminal charges be laid when these people want to volunteer out of a pool they volunteered into.

Some producers contracted only part of their crop to the pool and then claimed that yields had been higher in fields planted for the open market. Little has been written about rapeseed pools but spokesmen from the farmer co-ops say the pools were both unable and unwilling to force patrons to honour delivery contracts. Litigation would have been time-consuming and expensive. It would also have alienated producers who delivered other commodities to co-operative elevators. The pools have been regarded as a development tool. Whether or not they continued to increase production or not is, of course, questionable. In their first year of operation the value of rapeseed rose 60 per cent to just over $2 a bushel and in the following year production tripled. But prices had been higher in pre-pool days and production in the last two years of the pool operations dropped back to the same level they were in the 1956-57 crop years. That experience has soured the farmer-owned co-operatives against voluntary pools.

• (2130)

The Alberta Wheat Pool vice president, Mr. Alan MacPherson, has said that their co-operative has had other bad experiences with voluntary pooling for porridge seeds. In some years the co-operative offered only pool buying, and others operated a pool and bought outright as well. In either case the result was the same—the open market got high price seed and the pool got low price seed. These pools will not be offered again by the co-operative owned elevator companies.

Another example is the CSP voluntary pool for sunflower seeds, which continues to operate at the Altona crushing plant. I hope the minister does not try to hold it up as a great example. Mr. Sarsons said that this system is not really a pool. Since the Altona mill is the only crusher, the operation is really a forward contracting operation with price averaging.

The Altona operation does exhibit a common characteristic of voluntary pools. Outside buyers make one time buys at the top of the market, and that reverberates throughout the system and leaves the pool buying the residual. Mr. Sarsons states that the CSP pool "does not work very well" and would be a poor model for rapeseed marketing. The cost of operating the pool is not allocated or reported back to producers but is part of the overhead of that plant seed buying program.

Some 50 years later, after Mr. Stewart and Mr. Riddell reported, the rapeseed marketing commission remained convinced that voluntary pools could operate alongside the open market. The commission reported that despite the history of voluntary pools, voluntary pooling for rapeseed would benefit producers by reducing marketing risks and possibly raising prices by strengthening producers' bargaining powers with the domestic crushers and upgrading marketing skills. At the same time, the commission warned that the only practical possibility for large volume pooling is a prairiewide pool. They gave as reasons the difficulty in showing results comparable to the open market and the necessity to subsidize pools to meet competitive levels. The committee felt that elevator companies which could operate pools would not do so, because they feared getting into price wars with competing pools. That would force them to cross-subsidize and enforce delivery under contract.

Besides this single agency voluntary pool, the commission evaluated a compulsory pooling through the Wheat Board and found it would not suffer from the problems of enforcement. Mr. Speaker, two years later the pressure for such a compulsory pool resulted in the pool producer marketing referendum. As if the deck was not stacked well enough in the beginning of that referendum, and as the hon. member for Yorkton-Melville (Mr. Nystrom) said, at the height of that campaign on the referendum for rapeseed marketing the Minister in charge of the Wheat Board announced that, if producers would not vote for a compulsory pool, he would bring in enabling legislation for voluntary pools. If that is not influence peddling of the first order, I have never seen any. If that is not a direct intervention by a spokesman for the government, in what was supposed to be an open and democratic vote, I have never seen one. If that was not an attempt to influence the vote, I have never seen one.

The evidence and the history is irrefutable. The size of rapeseed production in Canada related to the total world production of oilseeds is so small that unless you have one single pooling you cannot amount to very much in the world market for oilseeds. It makes more sense to have rapeseed under the Canadian Wheat Board with a pooling arrangement being compulsory, the same as it is for wheat, oats and barley. In that kind of a situation it would make more sense, considering our position in competition with other oilseeds. It would make more sense to have rapeseed under a single pool under the Canadian Wheat Board than it would to have wheat, oats and barley.

The logic and the reasoning of the minister and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) escapes me completely. I can understand the whole philosophy behind this bill, but my philosophy is the opposite of theirs. The philosophy behind this bill is to do nothing more than shore up the so-called free enterprise open market system. If that free enterprise open market system is so good, I do not understand why the official opposition would even ask for a 90 per cent guarantee of initial payments against the pool-proceeds. They have been telling us for years that the open and free market system is the best and cannot be beaten. They have been telling us it will work best for the farmer and it will save him. Then they turn around with the other hand out, like a typical free enterpriser—the greatest welfare bums in the country—wanting a 90 per cent guarantee from the government on that free enterprise open market voluntary pool. If that is not trying to have it both ways, I have never seen it.

If the minister attempts to legislate compulsion into a voluntary pool, then he is in for a lot of trouble and so are his friends in the official opposition who support him in this legislation. If the minister thinks he can use the Canadian Wheat Board, which does not believe it can operate a voluntary rapeseed pool under this legislation, I will bet you a dollar to a hole in a doughnut that they will not operate a voluntary rapeseed pool unless the minister interferes with the operations of the board and makes them do it.

For the minister in this legislation to use the Canadian Wheat Board, its accounting and its permit books as a weapon over farmers who volunteer into the pool and as a method of making it compulsory for them to stay in the pool, surely smacks of some kind of hypocrisy, even from a free enterpriser. I do not believe a voluntary pool can work with the provisions in this bill. The history of voluntary pools has been so sad and so painful both to grain producers and to governments over the last 50 years that one would have thought the hon. minister and the hon. member for Qu'Appelle-Moose Mountain would have learned a lesson from history for a change. Yet they still blindly, insensitively and ignorantly try to continue down a path which has been proven to be bad and proven to be the wrong road to take. Surely the Official Opposition will join us in saying, "Look, leave our rapeseed producers alone in the free and open market, which the majority of them voted for, or put the whole thing under the jurisdiction of the Canadian Wheat Board and quit trying to horse around with half measures". They should quit trying to have it both ways. It will not work. It can only harm the whole principle of orderly marketing. This is nothing more than another attempt to bring orderly marketing into disrepute, to weaken the Canadian Wheat Board and to lessen its strength in the marketplace of the world on behalf of our Canadian grain producers.

● (2140)

I am appalled that hon. members in the Official Opposition can get to their feet and blithely and blandly agree to this legislation, saying they will support it and commending the minister for it. I did not think they would ever commend the minister for anything, but when it comes to something like so-called free enterprise and an open and free market, by golly, and those chickens of a feather flock together. They are holding hands with each other. I am sure the boys in the open

market in Winnipeg are very pleased with them. No doubt the commodity fellows in Vancouver, Chicago and in a few other places will be very happy with them.

Mr. Nystrom: "Alvin and Otto".

Mr. Benjamin: They are the great twins in what I consider a betrayal of the whole principle of orderly marketing and the strengthening of Canadian grain producers in the face of the competition we get from the rest of the world. This is a sham. It will not work. The rapeseed growers' own elevator companies and their organizations say they are not interested in voluntary pools. They have been twice bitten and they are four times shy. I hope those farmer-owned grain companies will stick to their guns. I hope this legislation will prove be completely ineffectual. I hope it will be shown up for what it is—nothing more than window dressing in terms of what it will do for rapeseed producers.

This legislation is a shoring up or a strengthening of the so-called open and free market system. If the Progressive Conservative Party is sincere in its advocacy of private enterprise, it will denounce this interference with rapeseed producers who want to pool their grain voluntarily but who are compelled to stay in the pool. I would have thought that the hon. member for Qu'Appelle-Moose Mountain would have been thundering away like a 40-mile an hour chinook; but no, he was like soft winds over still waters, supinely and docilely agreeing with the Minister in charge of the Canadian Wheat Board. I never thought I would live to see the day. It was bad enough and sad enough when the hon. member for Dauphin (Mr. Ritchie) did the same thing. He is quite a nice fellow. But I never thought I would live to see the day when the hon. member for Qu'Appelle-Moose Mountain would lie down so quietly and so obediently in the face of the history of both voluntary and contractual pools during the 1920's and again in 1959 and accept the minister's proposals. I always thought the Conservatives abhorred and hated the word "compulsory" or "compel".

However, the hon. member agrees that the minister should compel, through the use of an orderly marketing system and through the use of Canadian Wheat Board permit books, rapeseed producers to stay inside the pool even if the bottom drops out of the rapeseed market. They cannot volunteer out of something they volunteered into. That is inconsistent. They can volunteer in, but they cannot volunteer out. The free and open market is best, but there have to be 90 per cent government guarantees! That is inconsistent too. It does not surprise me, coming from the minister, but I would have thought that the official opposition would at least have made some passing attempt to be consistent with what is supposed to be its philosophy.

I have spoken to officials of the three wheat pools. I have spoken to rapeseed producers and grain producers generally over the past months. None of them voiced any confidence whatsoever in a volunteer pool. None of my mail has been in favour of volunteer pools. Farmers who have been in the grain growing business for decades have learned their lesson from history and profited from bitter experience. The prairie wheat pools profited from the bitter experience of 1959. Where is the Progressive Conservative Party, or the Liberal Party for that matter, when it comes to learning some lessons from history? It has to be one or the other; it is either the free and open market period, or it is orderly marketing under the Canadian Wheat Board.

Mr. Nystrom: You can't be half pregnant.

Mr. Benjamin: To try to use the Canadian Wheat Board orderly marketing system and wheat board permit books to shore up the free enterprise system and to make the open market work better at the expense of grain producers is some kind of political and economic chicanery. These great believers in the free and open market do not have the courage to see if that free and open market will stand the test. They know that it has not stood the test since the late 1800's. Grain producers have lost out. Elevator companies owned by grain producers have lost out time after time, whether it was under volunteer pools, contractual pools or whatever. They know from bitter experience.

I hope the official opposition will re-think its position on this particular item. I hope for a change hon. members to my right will talk out of just one side of their mouths and say that since the majority of rapeseed producers do not want the free and open market for the marketing of rapeseed, the Conservative Party does not want it either. Since hon. members to my right are always complaining about people running around with their hands out trying to get government help, they should be the last ones to want to have a 90 per cent government guarantee of initial payments against pool proceeds which are operating on the free and open market.

It must be an insult to a genuine free and open marketer to have to ask the government to give a guarantee. If the free and open market is so good, it should be able to stand on its own feet. According to the free and open marketers, it will be of great benefit to the rapeseed producer. After all, when rapeseed prices can fluctuate from $1.50 to $2 in five or six weeks, all the rapeseed producer can say is that he has been fluctuated again.

It will be interesting to see how the minister continues to try to justify this legislation. There is not one bit of legitimate justification. Prior to voting on the rapeseed plebescite, the minister gave the commitment that, if the producers did not vote for a compulsory pool, he would bring in enabling legislation for a voluntary pool; so at least in that sense the man is being honest. However, I am surprised that the official opposition is supporting him.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired. Unless he gets unanimous consent to continue, I will have to recognize another hon. member.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is the hon. member requesting unanimous consent?

Mr. Benjamin: Yes, Mr. Speaker, since everybody is dying to hear more.

Some hon. Members: Agreed.

Mr. Benjamin: Since there has been an overwhelming request that I continue, I shall, and I thank my hon. colleagues for their kindness.

I want to discuss some information which has been provided to me. It is interesting to note that there is a fight brewing over the definitions in the bill. There is a debate as to whether the bill allows the Wheat Board to operate a voluntary rapeseed pool. I understand that the Wheat Board does not think voluntary pooling will work, and it says that this bill will not allow it to offer one anyway. The minister's advisers say they framed the bill specifically to allow the Wheat Board to form a voluntary pool. I am looking for an explanation from the minister.

I would also like to get an explanation with regard to the establishing of marketing plans. Clause 35.11(1) of the bill reads as follows:

> Any association representing a significant number of producers engaged in the production of grain or any association or firm engaged in the processing or marketing of grain in interprovincial or export trade may submit to the Minister for his review and recommendation to the Governor in Council a written proposal for the establishment of a marketing plan.

That will be the voluntary pool. I would like to know why there is nothing in the bill which defines an association. What is an association? What is "a significant number"? I do not see how, without any explanation from the minister, anybody can accept this bill. I do not see how it can work. It is just left purely and simply to the whims of the minister. He can pick and choose any association rapeseed producers want. He can say: "This one is significant, so therefore I will allow it; this one is not, therefore I will not allow it". I know that is something the official opposition wants to see. If that is the Wheat Board's unofficial and off-the-record reaction, it is typical of comments made by people in the grain trade on the whole matter of voluntary pools.

● (2150)

The line elevator companies were unanimous that they will heartily resist the setting up of voluntary pools and their hope is that everyone else will, too. That is not the Alberta, Manitoba or Saskatchewan wheat pools. It is M. M. Patterson and Sons, the Pioneer Grain Company, the Cargill Grain Company, and any other private elevator companies. They are resisting it heartily. Government officials took some delight in giving credit to Cargill Grain Company for encouraging the Minister of Transport to set up voluntary pools. That is not the way I heard it. The way I heard it, the company's executive vice president, Mr. Dick Dawson, said:

> I think we'd be the last to set one up. I frankly doubt we'll see them even in rapeseed.

The possible benefits for pooling rapeseed should be examined. Since the pools would bear at least part of the marketing risks normally handled by the futures market, the amount of hedging on this underspeculated market would drop. This could improve the market's performance and end chronic inversions. The formation of producer groups might bring pressure on the Wheat Board to give higher priority to rapeseed in the allocation of quota and grain cars and so improve the handling of rapeseed. However, the board now attempts to match deliveries to sales and further concessions to rapeseed producers could lead to a backlash from other community groups. You could have wheat growers, barley raisers and flax and rye producers on your neck really fast if you started giving preferential treatment to rapeseed producers for any period of time.

The formation of pools by associations of producers who are not currently marketing rapeseed could lead to a growth in the quantity and quality of marketing information and expertise in the trade. The effect of voluntary pools on market development would depend on their size. Small pools would do little or nothing to develop new markets; the best development work could be done by a single large pool which could afford the associated costs.

The difficulty of predicting annual patronage would work against long term marketing plans by one or more small voluntary pools. Surely it is obvious and patently plain that the only sensible policy which would bring maximum benefits to producers of rapeseed is to put that grain under the jurisdiction of the Canadian Wheat Board, which can operate pools for rapeseed just as it does for wheat, oats and barley. That is not socialist dogma; it is not ideology put out by the NDP. That is an idea that has been fought for by grain producers since the 1880s. It has been worked for, fought for and paid for by grain producers in the three prairie provinces ever since then.

The principle of orderly marketing has been supported by people of all political stripes. This legislation is nothing more than an attempt to leave loopholes so that the so-called free and open market can be strengthened. Any time this parliament or this government or any other government wants me to vote in favour of providing a 90 per cent guarantee for the so-called open and free market, I want nothing to do with it. I urge the House to defeat this legislation and to call on the Minister in charge of the Canadian Wheat Board and on the government to bring rapeseed under the jurisdiction of the Canadian Wheat Board, to provide a pooling system for rapeseed as they do for other grains so that grain producers in western Canada would be better off and would be forever grateful.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Lang: Mr. Speaker, I rise on a point of order. I believe there is consent in the House that the bill be considered in Committee of the Whole instead of referred to the Standing

Committee on Agriculture and that the motion be read accordingly.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I support that, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we have already given our agreement for the bill to be considered in Committee of the Whole. That does not mean we are for second reading of the bill; we are not.

Mr. Deputy Speaker: Is it agreed that the motion be modified so that the bill be referred to Committee of the Whole instead of the Standing Committee on Agriculture?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is there agreement to the motion?

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the Chair.

On Clause 1.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, clause 1 could probably be dealt with in more detail, but to expedite matters, may I put a question to the minister. I am a little concerned about the precise details of the relationship between the Canadian Wheat Board and the various voluntary pools. Could the minister explain that hypothetical relationship so we could have a picture of what he envisages in setting up these pools?

Mr. Lang: The only relationship between a pool and the Wheat Board is the relationship between the pool and the Wheat Board Act. The permit book may be endorsed with the notation that the producer is a member of a pool and therefore may deliver his grain only to that pool That is because he will have contracted with the pool along those lines. There is no other necessary connection between the pool administrators as such and the Wheat Board. It would be the government that would have to take responsibility for approving the financial stability and the adequacy of the plan which the particular proponent of the pool is putting forward, and also to ensure and guarantee the initial price. The Wheat Board need have no connection with any of that proceeding.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That means that if, for instance, the Saskatchewan Wheat Pool offers to its members a plan and gets approval from the minister, he will guarantee 90 per cent of the initial payment, and the Saskatchewan Wheat Pool is responsible for the selling of that grain on any market without any influence by the Wheat Board.

Mr. Lang: That is correct, Mr. Chairman.

● (2200)

Mr. Hamilton (Qu'Appelle-Moose Mountain): One final question, Mr. Chairman. Suppose five voluntary pools were set up in western Canada. Does the minister visualize that they would be competing for markets as opposed to a single pool with no compulsion to compete?

Mr. Lang: Yes, Mr. Chairman, that would be very much the case. I think they would be competing very vigorously because the final payment at the end of the year would be quite a revelation in terms of their over-all performance during the year. Obviously the department would have to distinguish between good luck and good judgment in the selling process but there would be vigorous competition between the pools if there were several.

Mr. Nystrom: I understand there is a debate going on about whether the Wheat Board itself could participate in or establish a voluntary pool. If my information is correct, some advisers of the Wheat Board believe they cannot. I should like to know whether the minister thinks they can.

Mr. Lang: Mr. Chairman, I believe the question whether they can would depend upon the interpretation of the Canadian Wheat Board Act. I have not asked that question of my legal advisers because I had not thought it very likely that the Wheat Board would be apt to do so in any case. I see some difficulties in their doing so in terms of financial backing and the relationship between such a pool and their other operations. I do not know of any intention on their part to enter into such activity, so I have considered that question rather theoretically, as one not needing an answer. Therefore I have not asked for an answer.

Mr. Nystrom: I wonder if the minister would look into that, because things may change a few years ahead. Does the minister at this time envisage any other grain producers setting up voluntary pools? I understand the act allows for producers of oilseed commodities other than rapeseed to establish pools as well.

Mr. Lang: Not at this time, Mr. Chairman. I know of no significantly expressed interest at this point. I think if the pooling development worked well in relation to rapeseed demands, other grains could follow. Where there is a sufficient volume of grain I would see no difficulty responding to that demand.

Mr. Nystrom: Could the minister tell us at this time who he expects to participate in the pools? I think the hon. member for Regina-Lake Centre said the wheat pools at this stage are not interested in doing so, and I have heard some others say the same thing about the private companies as well. I wonder if the minister has received any indication in his office of what groups or associations might be considering pools.

Mr. Lang: I have had some conversations which lead me to believe there will be an interest in a pool. These were discussions of a preliminary nature so we will have to see how they are followed up once the legislation is in place. I hope the pools will look at the possibility themselves because a good number of pool members would appreciate the opportunity of pooling in relation to rapeseed and the pools might not want to lose

those members to competitors if an alternative pool were set up.

Mr. Nystrom: I wonder if the minister could answer precisely, Mr. Chairman; that was only a guess. Has he done any serious thinking about the cost of operating the pools because of the government guarantee? I know the minister cannot answer precisely because we do not know how they will be operating at this stage, but is there any ball park figure?

Mr. Lang: No, Mr. Chairman, but the experience with the guarantee to the Canadian Wheat Board is an indication of the modest cost that is likely to be involved. Under the pattern of the act, initial prices are really meant to be set at a level which is likely to be safe in any case. The call upon the guarantee is only likely to occur in very drastically changing circumstances. In the case of wheat, barley and oats this has seldom occurred. One occasion when it did occur was when the government knew fairly well that it was inviting the risk of that occurring and therefore in a sense using the initial price slightly differently from its original intention. I would not see that happening very often in this case.

Mr. Nystrom: Mr. Chairman, may I ask a final question, then cede the floor to other questioners. A number of rapeseed producers have told me about their concerns with regard to bootlegging. Is the legislation drafted so as to penalize bootleggers or to discourage bootlegging? How strictly will the regulations be enforced? Further, will the minister make sure that those regulations are enforced?

Mr. Lang: Mr. Chairman, we certainly want to see them enforced. The person participating in the pool would be under a contractual obligation, legally binding. We are adding a penal provision to strengthen that obligation. There will be law to enforce it, since if someone is under a contractual obligation to a pool and withdraws, it is most unfair to the others. In practical and moral terms it is like a theft. It is not exactly like a theft under the Criminal Code, but it deserves the added enforcement and penalty provisions in the bill.

Mr. Ritchie: Mr. Chairman, may I ask the minister how the initial payment will be set? Will it be done after consultations, assuming there is more than one pool? What will be the minister's influence on the process? Will a formula be worked out? Further, will the initial price be the same for all pools?

Mr. Lang: Mr. Chairman, I expect the pools will tend to adopt the highest available initial price, because they will want farmers to supply them with rapeseed. The initial price in the end will be determined by the federal government's guarantee. This process is followed in relation to the initial price paid by the Canadian Wheat Board as well. No doubt pool administrators will request or suggest an initial price. We, as the government responsible for the guarantee, will need to determine if that price is safe to pay, in accordance with traditional factors governing initial price.

Mr. Ritchie: Mr. Chairman, I suggest that the pools will be substantially different in their workings from the Canadian Wheat Board. I am thinking of the way the initial price will be set. Possibly different prices could be set for different pools. Would the government guarantee all of those initial prices? If one pool were asking a higher initial price than another, would the government guarantee that higher initial price?

Mr. Lang: No, Mr. Chairman. The government would be prepared to guarantee such initial price as is available for all other pools legitimately established. If the hon. member is asking, is it possible in theory for a pool to set a lower price than that which the government guarantees, the answer in theory is yes; but in practice I do not think it will arise.

Mr. Ritchie: Mr. Chairman, say the government sets a price of $5, but some pools feel they can charge an initial price of $5.50. Will they be on their own so far as the extra 50 cents is concerned? If the pool lost 50 cents, say, as a result of this, would that organization be responsible for the loss?

Mr. Lang: Mr. Chairman, yes, they would. They would be on their own for the extra amount.

Mr. Ritchie: Mr. Chairman, may I ask one last question on the definition of "producer"? Will producers be those who traditionally hold Wheat Board permits? It is my impression that the definition of a producer in this bill is somewhat different from the definition of a producer who deals with the Wheat Board. Perhaps the minister could elaborate.

Mr. Lang: The definition is almost the same, Mr. Chairman. I forget exactly in which way the definitions differ. I will look through the relevant parts of the bill to see if I can discover the small technical difference which may exist; however, by and large, the definitions are similar.

● (2210)

Mr. Neil: Mr. Chairman, with regard to a producer who belongs to the pool, the bill provides that he can cease to participate in accordance with the plan. Does the minister visualize that each plan will have a different contract with the producers, or is it his intention that the provisions for opting out will be the same for all plans?

Mr. Lang: Mr. Chairman, I see some scope for flexibility here. I would not want to project what may turn out to be an acceptable proposal. The various proponents of a plan may come up with a variety of differences. Looking at the definition of actual producers, the key difference is that provision has been made for participation in such a plan of the landlord or non-actual producer who may be the owner of the rapeseed. That is the main difference here.

Mr. Goodale: Mr. Chairman, I am interested in the federal government's financial commitment to the kinds of schemes that may be authorized by the bill before us this evening. Can the minister say if the guarantee of a certain level of initial payment is in fact the only monetary or financial obligation which the federal treasury will be assuming through this legislation, or is there in the bill some broader obligation upon

the government to compensate certain pools if they run into adverse conditions and suffer losses above and beyond the level of initial payment which may be guaranteed or beyond any obligation with respect to administration costs?

Mr. Lang: Mr. Chairman, the guarantee of initial payment is the only federal obligation or cost contemplated, apart from the rather regular governmental-type costs which may be involved in the administration of inspection services and, therefore, administration of the law as such.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, can the minister tell the House what advantages could encourage the producers to participate or not participate in that type of marketing? Can he also tell us what the freedom of association, or not, rests on? And finally, can grain marketing entail certain advantages for those who are part of it, or those who are not?

[*English*]

Mr. Lang: Mr. Chairman, the price of rapeseed may go up or down rapidly or quite significantly over any period of time. There are many farmers who are producers of rapeseed who simply want to be in the farming business. They do not want to become experts in judging when the market is going to be good or when it is going to be bad. They would prefer to have the average price for the year for their product rather than risk taking a low price or gambling on a high one or hoping they will be getting a high one. It is meant to allow them to get an average price without their trying to guess the market during that particular year.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, will that way of doing things not be a source of difficulties for the new act, which could prevent it from being really efficient, and from giving really efficient marketing services to those who truly want a marketing organization, because in other fields, for instance, in the egg marketing business, which Parliament knows very well, the situation is not quite the same: everything must be marketed globally to get results. Are things different in the field of cereals, of rapeseed; and are the producers willing to see the bill passed as proposed, or is it being imposed upon them?

[*English*]

Mr. Lang: The key answer is that the creation of a pool simply gives the farmer an additional option. He may choose to market the way he now markets and decide his own time for selling and try to guess the best price or he may join the pool. But, of course, if he joins he brings in all his rapeseed to that pool. The choice is that of the farmer.

Mr. Benjamin: Suppose a farmer has 80 acres of rapeseed in one place and 80 acres a few miles away. I take it he cannot volunteer one lot of 80 acres to be delivered to the pool and the other to be kept for placing on the open market at his convenience. All of it has to be sent to the pool or nothing?

Mr. Lang: That is so.

[Mr. Goodale.]

Mr. Benjamin: Can the minister tell us who would do the enforcing in order to prevent bootlegging or attempts to evade a contract? Would it be the association with which the contract is made or the Wheat Board? Because the person concerned has put himself under an obligation according to his permit book. Or would it be done by the minister from his office?

Mr. Lang: The act merely provides for the designation of persons as inspectors. We would certainly not see this as meaning the participants or agents of the pool as such in an ordinary case. If the Wheat Board inspectors or the Grain Commission inspectors, or other inspectors who would be available in any case, could add this to their duties, that solution might be considered, or special inspectors would be designated. I would look forward to using inspectors who are presently engaged in grain-related duties in the region.

Mr. Benjamin: In other words, the inspectors would be the employees of an agency of the government and they would be carrying out inspections having to do with contractual arrangements with a voluntary pool which had nothing to do with the Wheat Board. That is, they would be federal employees carrying out duties on behalf of an association.

Mr. Lang: That is the way I would see it. I see it, really, as being a regular part of law enforcement.

Mr. Benjamin: If violations were discovered would the inspector from the Wheat Board or the Grain Commission lay criminal charges, or would that be up to the association?

Mr. Lang: The charge might not technically be a criminal charge but it would be laid with the advice of the attorney general, as are charges laid under various other statutes.

Mr. Benjamin: What does the minister envisage by "an association representing a significant number of producers engaged in the production of grain" and so forth—the words appearing on page three? Can he tell us what he would consider would constitute such a number? I presume this means rapeseed producers. What percentage of producers would need to be involved? Would they come from the whole province or from part of a province? It seems to me this is a clause which is far too vague.

● (2220)

Mr. Lang: Mr. Chairman, it suffers from some vagueness, without any doubt. It may be difficult to have a judgment in advance as to what would in the end be the answer to the hypothetical question whether a certain number of producers was sufficient. It is designed to give some flexibility to the clause, which would have otherwise restricted the move toward these pools to firms actually engaged in the marketing of grain. It seemed desirable to have an open door for some others. The financial security, the guarantee of the initial price and so on gives us the additional flexibility to make some judgment here. That clause can work notwithstanding, as the hon. member says, that it is vague in its technical sense.

Mr. Benjamin: Mr. Chairman, I would take it from the minister's reply that he would envisage recognizing only bona fide grain companies or people who are in the grain handling business, whatever the nature of the company is, whether it is a private company, a wheat pool, an agency in the Winnipeg Commodity Exchange or a broker in Vancouver who can get contracts from 20,000 rapeseed producers. In the minister's view, it would be someone who is already in the grain business. I do not mean this in a derogatory sense, but suppose the Palliser wheat growers wanted to sign up 10,000 or 20,000 rapeseed producers, would that be considered an appropriate association? Would the minister prefer to stick to one that is already in the grain or rapeseed handling business?

Mr. Lang: Mr. Chairman, I would see that association as eligible, as I would the Rapeseed Growers Association and the National Farmers' Union. Just as long as we do not try to press that analogy too far, I do not mind giving that offhand account.

Clause agreed to.

On clause 2:

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, it is on this clause that I would like to ask the minister if he can explain to the committee how he envisages the financial responsibility of a marketing plan under the bill before he will accept it. He must have in his mind some criteria as to how these voluntary pools can satisfy the minister. They have the capacity to administer successfully up to a point. If there is inability to sell the grain they have contracted for, will they have the finances to meet storage costs and interest costs?

Mr. Lang: Mr. Chairman, under this clause the proposers of a plan will have to satisfy the governor in council of their financial ability to carry the plan forward with the necessary bonds, insurance or other security to cover their potential indebtedness within the plans they are establishing. I can see that meaning a certain assurance of viability would allow the undertaking of a certain number of contracts for a certain volume of rapeseed. If the proposers of a plan wanted to go beyond that, they would have to extend or add to their financial viability. We will want the assuredness that the financial viability is there, quite apart from the guarantee we may give at the initial price.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I realize the minister has great difficulty in saying that he is sure, because we do not know what will be the case. To follow that up, can the minister visualize a situation where one of these pools, fearful of the financial responsibilities above the initial payment, will restrict the number of contracts they are willing to accept?

Mr. Lang: Mr. Chairman, I can see that as being possible if the pool in question was a small organization. Some of the organizations we have contemplated, such as the large wheat pools on the prairies, would not likely have that problem. I could see eligible administrators having that difficulty.

Mr. Nystrom: Mr. Chairman, I have just one short question. From reading the bill, I take it there is no definite time frame as to how long the pool should last, whether it is a year, two years or five years?

• (2230)

Mr. Lang: That is correct. There is flexibility there for the proposers. I think ordinarily we are thinking in terms of one year periods, and I doubt that anyone would propose a longer period; but there may be some advantage seen in shorter periods so that any rapid market fluctuations may be moved out of the pool.

Clause agreed to.

On Clause 3.

Mr. Nystrom: Mr. Chairman, it appears to me that the number of people participating in a pool is left wide open. Is there any minimum size or maximum size, or is it just a wide open affair?

Mr. Lang: That is not spelled out. In that sense it is wide open. A certain number would have to be sought for administrative viability, so the proposers no doubt will have that in mind. The maximum number would result from the financial security which has to be posted.

Mr. Neil: Mr. Chairman, page 3 of the bill deals with the establishment of marketing plans. Reference is made to an association representing a significant number of producers. Then later on it refers to making an order if there are a sufficient number of producers. I am wondering what is the difference between "a significant number" and "a sufficient number" and why the same words are not used. There must be some distinction.

Mr. Lang: Mr. Chairman, would the hon. member please draw my attention to the word "sufficient"?

Mr. Neil: On page 3, clause 35.11(1) says: "Any association representing a significant number of producers engaged in the production of grain . . ." Clause 35.12 makes reference to a sufficient number. Then on page 4 the bill refers to a significant number again.

Mr. Lang: A significant number would be a judgment on the part of the association as to whether it has that kind of support, when it is an association and not a company which is proposing a plan. A sufficient number again would be a judgment. It may not be different from a significant number, but I think it would be many fewer. It may be those who are actually participating, willing to participate, and therefore sufficient to make a plan worthwhile. It is that non-minimum which is, however, meant to be judged by the governor in council as being enough.

Mr. Benjamin: Mr. Chairman, further to the minister's reply to the hon. member for Moose Jaw, I take it that in the first instance there must be what appears to be a significant number and an appropriate association, in the view of the

minister, to go into a voluntary plan, on the one hand; and then in the course of a sign-up it would be a matter of judgment for the minister as to whether, even though the association represents a significant number, there is a sufficient number to make the plan work, and that this lies in the hands of the minister.

Mr. Lang: That is correct.

[*Translation*]

Mr. Lambert (Bellechasse): I am still referring to clause 35.12 and to the explanation just given by the minister concerning a sufficient number of producers. Will the regulations determine in greater detail the meaning of producers? What will influence the minister's decision: the volume of grain or the number of producers?

[*English*]

Mr. Lang: We are really looking here at the number of producers. I do not see a practical problem because the administrators of a plan would not want to go forward with it unless they had a fairly large volume of grain and producers. Therefore, we would not have much difficulty with making a judgment.

Clause agreed to.

Clauses 4 to 11 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Benjamin: No, Mr. Speaker, I do not give consent to giving the bill third reading now.

Mr. Deputy Speaker: There is nothing in the order which says it cannot be given third reading now, except the time. The Chair cannot read the minds of hon. members; they must indicate whether or not they wish to carry on. The bill has been reported. Does the hon. member wish me to put the question and give him the floor for third reading?

Mr. Benjamin: I would like to call it 10.30 p.m., Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, I rise on a point of order. I would like to know what business we have on hand for tomorrow, if the House leader would be so kind as to tell us what he has on the platter.

Mr. MacEachen: Mr. Speaker, we will continue with the bill presently under consideration. Then we will consider Bill C-4. Following that we will have consultations tomorrow morning.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what about Bill C-30?

[*Translation*]

Mr. Deputy Speaker: It being 10.30 p.m., this House stands adjourned until Tuesday at 11 o'clock a.m., pursuant to order passed on Monday, May 30, 1977.

At 10.35 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, June 14, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN WHEAT BOARD ACT

MEASURE RESPECTING ESTABLISHMENT OF MARKETING PLANS

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-34, to amend the Canadian Wheat Board Act respecting the establishment of marketing plans and to amend the Western Grain Stabilization Act in consequence thereof, be read the third time and do pass.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, last evening during second reading I said the official opposition supports Bill C-34 on the grounds that it attempts to meet what the farmers of western Canada demand, and we want to give it a chance to work.

There has been a long debate in western Canada about the respective merits of compulsory and voluntary pooling. As I said last night, the great majority of the farmers, in my judgment, supported the concept of compulsory pooling for their main crop—wheat. But they had a great reluctance to go into compulsory pooling for all crops, both the export and the domestically consumed crops.

● (1110)

There is a growing fear in western Canada about the continual encroachment of the rights of individual farmers to control their own destinies. Even though they are promised higher returns and are given the freedom to make their own decisions, they know instinctively they are losing something which is even more valuable than money. Therefore in this particular bill in which the minister proposes to allow the commercial companies, some of which are owned privately and some of which are owned co-operatively, to set up voluntary pools to which they can invite their clients to join on a contractual basis, supported by the discipline of the permit book as far as the contract is concerned, there is also assistance by the government in supporting up to 90 per cent the financial risk of the initial payment.

As I mentioned last night there is still a gap, which is the financial risk that the private enterprise companies, which pioneered the development of the rapeseed market around the world, and the co-operative companies will have to face. This financial risk is during the selling period of the crop year. There could be a decline in prices that would cause serious financial jeopardy to the management or the company administering the pool. There could be a slowing down of markets, which would leave these companies with large amounts of rapeseed on contract for which they would have to pay storage charges and for which they would have to pay interest if money was borrowed for the holding of that grain.

These legitimate risks of private enterprise terrify many people. As I said last night, this terror goes back to the grim experience of 1929, 1930, and 1931 when the newly founded co-operatively owned pools went bankrupt because of the amount of the initial payment. The provincial governments of the prairies made loans to them, and eventually they went bankrupt. It was the federal government, under R. B. Bennett, which stepped in and backed up those loans which saved those pools.

The fear of having lost something for which they had fought so long brought such a deep fear into the hearts and minds of these people that never since that day have they done their primary duty, which is to sell western Canadian grain. They hold licences to sell grain on the Canadian Wheat Board but they never use them. Some of us have tried for years to get them to combine the four pools—the Alberta Pool, the Saskatchewan Pool, the Manitoba Pool, and the UGG which runs across the three provinces. We tried to get them to combine their economic strength and form one export company, which they did after a great deal of debate, called EXCAN. The essential fact which faces us is that, generally speaking, Canadian grain from western Canada saves the value of our dollar because of the tremendous export from western Canada into the hungry world, as the hon. member for Yorkton-Melville (Mr. Nystrom) pointed out yesterday. This is something which affects the whole country. The grain business is now facing up to this great fear.

In the last 45 years nearly all the grain produced in western Canada has been sold by four big international companies. The names are well known—Dreyfus from France, Bunge from Argentina, Continental and Cargill from the United States. These giant international selling companies sell most of the grain in the world. Each of them has approximately 10,000 agents all over the world competing with each other for markets. On the basis of cost, they do a remarkable job for the western farmer.

Having said that, it is a matter of national chagrin and shame that we do not have Canadians out selling Canadian grain. There are exceptions, of course. One of them is Charlie Schwartz, who is worthy of mention. He has fought with all his heart to sell a few million bushels of Canadian grain. However, the facts are very simple. When you are selling grain, you are in a multi-billion dollar business. Even to get

into the poker game, one has to buy ten million bushels, which is small, and it requires assets of at least $50 million to get into the game. When I was the minister, I recommended that these four giant pools should pool their resources and get into this poker game. If you are successful, the amount of money you get per bushel is minimal. The competition at the selling end is very intense.

The fact remains that we do not have any large, successful grain companies owned by Canadians and operated in the interests of Canadian farmers, selling our grain around the world. We have no Canadian company going out and pioneering new markets because of that awful fear of 47 years ago when they went bankrupt because of the selling business. Just like an old lady's fear, they never forget. As the younger people have come up through these farm organizations, they are taught from the minute they step into these pools the horrible lesson which was learned in 1929, 1930, and 1931, that if you get into this grain selling business you can lose everything in a matter of months. Therefore this bill we are talking about is an effort to encourage Canadian companies, whether they are privately owned or co-operatively owned, to get into this business of selling grain, even if it is just one product, rapeseed.

The rapeseed crop, using a round figure of 100 million bushels at a price of $5, is a $500 million product which has to be sold. You pay the farmer the initial payment, which has to be borrowed. If the initial payment is $2, that means $200 million has to be borrowed if all that grain is pooled. Until that grain is sold to get the $200 million back, you are in debt on the initial payment, plus the interest which has accumulated during the interim period. I mention all these things because they are common knowledge in western Canada, but they are not common knowledge here in the House.

In this bill the minister has put the Canadian government and the Canadian taxpayer behind these pooling operations to the extent of 90 per cent of the initial payment. That has to be a sound approach. Otherwise I cannot see these Canadian companies going into the selling business. At least now they are protected on initial payment guarantees. On the second stage the risk is still tremendous.

Last night the minister was asked if he thought a large number of people would go into the pooling. He very carefully gave the correct answer, that he thought a large number of people wanted to, but the people who are going to administer and run these companies were the ones who would be reluctant to move in on the basis of the great fear of what happened in the past. Therefore the story I put on record last night and again today should be considered as background against which the House would be well advised to support this legislation.

● (1120)

This legislation tries to meet the political feelings of Western Canada among those who want an average price. It tries to help out that group by putting government support behind the initial payment, by incorporating the discipline of the contract and the permit book as an encouragement to voluntary pools to get started and embark on the dangerous business of selling grain. I myself have a feeling that when they do get started they will make a success of it and wish to expand. I hope they will make a start upon the basis of this new incentive and go out selling Canadian wheat, barley, grain, and soybeans. If these companies pick up their courage and attack the market it may turn out to be a very successful operation.

I want to conclude by making a few comments on the speech of the hon. member for Regina-Lake Centre (Mr. Benjamin).

Mr. Baker (Grenville-Carleton): Is it worth it?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I think it is. The hon. member for Regina-Lake Centre seemed to be speaking very hysterically, but really he was expressing, in his own way, the deep fear which clutches at the hearts of so many westerners, particularly in the City of Regina, who are frightened to go out and compete, who do not want any risks to be taken by these companies, and who want a single board by compulsion, with the taxpayers supporting all the risk. That, to my mind, was the essence of his remarks. Really, he was expressing a socialist background.

Basically, what was getting to him, what was making him so irrational last night, was that he knew his friends in high places in these grain companies are terrified to go out and compete with each other in world markets. I know he made personal references to me, the worst thing he could say about me in western Canada was that I was supporting the minister in charge of the Wheat Board. A terrible thing! He knows that the worst thing an hon. member can say about another hon. member in western Canada is that he is a friend of the minister in charge of the Wheat Board. The fact is that as an opposition we recognize good legislation, legislation which is necessary not only for the immediate satisfaction of the desires of both those who want pooling and those who want cash, and it gives us an opportunity to get a Canadian company selling. Hopefully this endeavour will benefit the handling of major products, including wheat and corn. In these circumstances I take the risk of associating myself with the minister, because this is good legislation and, dash it all, if I am afraid of taking a risk by supporting good legislation, I am not serving the people as I should.

I do not know whether the legislation will work, nor does the minister or anyone else. But I think the minister has given it a good college try and made the machinery available. The challenge is now before the companies which handle rapeseed, to go out and sell. This is the only way they can hold their customers. If they go out and sell, and do their duty under the private enterprise system, they may very well be rewarded by a good return for their efforts. Above all, they will be helping not only the people of Canada but a world which needs our products.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too want to say a few words on third reading of the bill before us today. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) mentioned the importance of grain and oil

seeds throughout the world. I cannot help but underline that too, when contributing to a debate about grain or oil seeds of any sort.

I think I said last night that Canada's contribution accounts for up to 25 per cent of the world's wheat export market—we usually range between 17 and 25 per cent of it, depending upon production in this country as well as in other parts of the world, even though we only produce 11 or 12 per cent of the world's wheat, consuming only a small part here and exporting the major part. We are, therefore, a major exporter of grain as well as of oil seeds, making them a very important factor in our economy.

I also said in the House yesterday that if it were not for grain and oil seeds, this country would already be a net importer of food; we would not be self-sufficient in the production of food for our own use, despite the vast acreage we have in Canada.

I had a chance to go over some government figures for last year and they showed that if you take away grain and oil seeds we would have a net deficit of $1.5 billion for food. If you take the figures released by the Minister of Agriculture (Mr. Whelan) and by the Minister of Consumer and Corporate Affairs (Mr. Abbott) last Friday in the food strategy paper, we find that the deficit has increased over the last few months to about $1.9 billion. We would not be able to feed ourselves in this country were it nor for grain and oil seeds. That, Mr. Speaker, is why this debate is so important. It is important in terms of our balance of trade and in terms of supporting the Canadian dollar; it is important in terms of the type of food we produce and the manner in which we utilize the land acreage we have.

I want to remind the House, and particularly members from urban Canada, that this deficit is likely to grow. If we do nothing about reversing the trend in this country by setting aside land for the production of food, fostering our agricultural economy and becoming self-sufficient in more crops, then probably around the year 2,000, as the Science Council of Canada says, even with grain and with oil seeds we in Canada will not be able to feed ourselves. That is really a sad state of affairs.

We are already drifting in this country in the matter of food and agricultural policies. This is the point we must make as often as we can, from one part of the country to the other, until we can get the majority of the people, the government and the public service, to realize the situation, and draft a food policy which will plan the industry so that it will work for the benefit of all Canadians, including the farmers who produce the food.

The hon. member for Qu'Appelle-Moose Mountain mentioned the big four in terms of the world grain trade—Bunge, Dreyfus, Cargill, and Continental. He also mentioned the fact that there isn't any great Canadian trader. He said something about the economics of international grain trade—I think these are things we should talk about in this debate. I know that my philosophy is different from his when it comes to how grain should be marketed and produced. He accused the hon. member for Regina-Lake Centre (Mr. Benjamin) of being a socialist. I personally hope that the hon. member for Regina-Lake Centre is a socialist—if he is not then he belongs to the wrong party! I am a socialist myself and that is why I believe that individual producers have more freedom if they band together to market their grain through a grains board or through a wheat board.

What freedom is there for the little guy out there producing a crop if he has to depend on the futures market or on the Winnipeg Grain Exchange? I do not consider that to be freedom. It may be freedom for some of the big guys who can afford to gamble and take their losses, but it is certainly not freedom for the ordinary person in my constituency.

In my constituency we just came through a by-election last Wednesday. The Liberal campaign was based on freedom for people, freedom for farmers to make choices, the freedom of the individual. When the results came in, the NDP received almost 50 per cent of the votes; the Conservative party did not even get 30 per cent; and the Liberal party lost its deposit.

An hon. Member: That was because Otto was out there.

Mr. Nystrom: All the Conservative party got were Liberal votes—it was one free enterprise party voting for the other. It does not make much difference whether it is the Conservative party or the Liberal party that is in opposition. Maybe the only reason the Liberal party lost votes is that the Minister of Transport (Mr. Lang) went out to campaign for them while the Leader of the Opposition (Mr. Clark) stayed home. That campaign, according to both the other parties, was based on individual freedom, and the farmers in my riding responded decisively with 48.4 per cent of the vote in the by-election, voting for the government party, the NDP. In a by-election voters usually take the opportunity to protest, so I am confident in a general election this party would do a lot better.

● (1130)

That is why I put forth the argument that all grains in this country should be marketed through the sole jurisdiction of the Canadian Wheat Board where all farmers participate, pooling their risks and profits, working and co-operating together. That is the way to help the ordinary farmer and keep him on the land.

If that is a good idea for wheat, why is it not a good idea for some of the other grains? I do not hear many Conservatives or Liberals talking about getting rid of the Wheat Board. Some start picking away at the edges of the Canadian Wheat Board. It was the Conservative party that set it up, but that was after a great deal of pressure from all kinds of groups across the prairies. At one time there was a wheat board, but it was abolished in 1922, and then a voluntary wheat pool was set up in the place of the Canadian Wheat Board. The wheat pool which was set up on a voluntary basis was established in 1923 and fell apart in 1931. I think that was good evidence that voluntary pools do not work. This country has a history of voluntary pools not working at all.

I should remind the hon. member for Meadow Lake (Mr. Cadieu) that in 1921, the year after the wheat board was abolished in the first place and the futures market reinstated in this country, the average price of grain went down by some 85 cents per bushel, a drop of 34 per cent over the previous year. That is the history, and we should learn from it.

On the open market the farmer is subject to the ups and downs of things he cannot control. He cannot control the climate that affects the crops in his own country or around the world, but there is one thing he can protect himself against and that is the speculators and grain traders in his own country. He can protect himself against those who gamble with the rapeseed, the flax, the rye and the other things in the open market, like dice in a casino in Las Vegas.

Why do we not market all grains through the Canadian Wheat Board in a collective sense in this country so that all farmers could reap the benefits of any windfall gains there may be and share in any losses there may be, so that there is no middle man, no speculator or grain trader making a few million dollars from the sweat on the brow of the farmer? I think all the profit from grain in this country should go back to the farmer and back to the companies that he owns, such as the wheat pools, and not to the private grains exchange. That is not free entreprise, Mr. Speaker. I think if all grains were marketed through the Wheat Board that would be real freedom.

We have heard Conservatives in this debate say, "What the NDP is talking about is taking away your freedom. Here is a voluntary pool. That is real freedom for farmers." But there are parts of that pool that are not real freedom for the farmer—he can opt into the pool but he cannot opt out. If the Conservative party were really concerned about freedom they would want to amend this bill so that the farmer could opt in or could opt out. That would be consistent. As it is, once he opts in he cannot opt out—he is stuck there for better or worse. The history of pools in this country has shown it to be for worse.

Several little pools may be set up, none with real bargaining power, and many set up by private companies—maybe Cargill is one of them—that are not interested in returning the profits to the farmer but are interested in using the profits for their own ends. Many of them are set up with that objective. There may also be people who are bootlegging outside those pools, and that is a difficult thing to control when there are small pools with some people in and some people out and it is not known who is in and who is out. It is a very complicated system, Mr. Speaker.

As the hon. member for Regina-Lake Centre pointed out last night, we should stick with one side or the other. We should either be free enterprisers and do everything through the open market, or come to our senses and do everything through the grains board by expanding the Canadian Wheat Board. I am sure the majority of people in my riding would like to see it done that way. I know that a plebiscite was held four years ago and the result was a decision to market rapeseed through the Canadian Wheat Board. At that time 54

per cent of the people voted to do this and 46 per cent voted against it. I think attitudes have changed since that time, although I know even then the people in my constituency voted overwhelmingly to market their product through the Canadian Wheat Board. I am here to represent their interest and, in my opinion, that is the best way to market grain in this country so that the profits and risks are shared by all the people involved.

Yesterday I spoke about the rapid fluctuation in the price of rapeseed in Canada over the last few years. It has gone up and down by dozens of cents per bushel from one week to the other, or one month to the other. That is because of speculation on the futures market. If rapeseed came under a grains board as wheat does, there would not be that constant fluctuation in price; there would be stability. In March or February there would be stability in pricing. The farmer would not have to be concerned about when to sell his product because the price would be relatively the same throughout the year. On the open market, however, he may get a dollar per bushel more for rapeseed in March than in October.

That is the problem my grandfather used to speak about when he was producing wheat. Before the Wheat Board was established he would take his grain to the elevator in the fall and the speculators, the grain exchange and the Richardson security people in Winnipeg, all knew there would be a great influx of wheat. So in the old free enterprise economy when there was an over-supply the price would drop, and my grandfather and his friends would get just a few cents per bushel for the wheat they hauled to the elevator by horse and wagon in the fall.

The wagons were lined up to the country elevator, with one farmer competing against the other. That was rich competition; they got 20 or 30 cents per bushel—the free enterprise system at its so-called best. It was the speculator who made the killing in those days, buying grain at a low price and selling it high later in the year. After the small farmers like my grandfather had sold their grain in the fall in order to buy clothes for their children and pay taxes, they would not have any grain to sell in the wintertime or in the spring. But the large operator would have grain for sale at three or four times the price going in the fall. And the speculator would have grain to sell and make a windfall, but not the ordinary farmer.

Now, Mr. Speaker, thanks to sanity, we have the Canadian Wheat Board which has thrown that old so-called pure free enterprise idea out the window, thank goodness. In the fall when the small farmer takes his crop to the elevator he gets the same price as if he sold it in March. There are no speculators there, with dirty hands and sticky fingers, taking money from the farmers. The small farmer has been getting initial payments for his grain and then, at the end of the crop year, his final payment. That final payment is really the difference between what he got in the beginning and what it was sold for by the Canadian Wheat Board. It represents the profit or surplus which, but for the Canadian Wheat Board, would never be his.

• (1140)

I argue that we should market other grains as we market wheat. That would be better for the ordinary farmer and better for the country; let us plan our economy and plan our food production. We could produce more food and, with a planned economy, prosper more. Mr. Speaker, we do not believe in a few private enterprisers, a few of the big boys, skimming off the cream. I don't care if a few of the big guys on the Winnipeg Grain Exchange go broke. I do not represent them. I represent the ordinary grain producers of my riding, and overwhelmingly they want grain marketed in an orderly manner.

The farmer wants to market his grain through the Canadian Wheat Board, or collectively, and so reap the profits of his labour. Things are tough enough as it is for the farmer. He gambles on the weather, on international markets and international prices. Why he should need to gamble on the speculators I do not know. The farmer needs guarantees. If he is unemployed, he collects no unemployment insurance; if he hurts his foot in a grain machine, he collects no workmen's compensation. The farmer has no pension. His wife works on the farm. Apart from his farm income, usually he has no other income or salary. Many of the social benefits accruing to most Canadians do not accrue to farmers. Why should we make life more uncertain for the farmer by making him market his grain on the open market? It makes no sense for this country's farmers, or for the country itself.

I now come to my final point. Some say, "Let us market grain on the open market; let us have voluntary pools. That is a free enterprise idea which will allow the farmers to exercise all kinds of initiative and freedom." Mr. Speaker, our free enterprisers want guarantees as well as freedom. They want the government to guarantee 90 per cent of the initial price. They do not mind being free enterprisers and gamblers, if there is a guarantee; they do not mind being in the ball game, if they cannot lose. Surely they are dishonest and hypocritical. That is not old fashioned free enterprise.

This scheme would make old fashioned free enterprisers roll over in their graves. The scheme is nothing but socialized or subsidized free enterprise, state-free enterprise with guarantees. But that is the game the free enterprise boys like to play. For example, a few years ago our cattlemen and ranchers said, "We want no government interference, we are free enterprisers." Then, when the bottom fell out of the cattle market, the cattlemen came running to the government with their hands out saying, "Help us."

One year the cattlemen want no government interference; the next year the story is different. When the market turned down they ran to the government, asking for subsidies. Mr. Speaker, they cannot have their cake and eat it. For these reasons I am a socialist, in the NDP. I hear the hon. member for Vegreville (Mr. Mazankowski) chuckling. I know he is a socialist as well.

Mr. Mazankowski: What a joke!

Mr. Nystrom: I know he really is, because he did not shed tears when that biggest enterpriser, the hon. member for Crowfoot (Mr. Horner), joined the Liberal party.

Mr. Mazankowski: I had better stop laughing. I am helping you with your speech.

Mr. Nystrom: I know this bill will pass, and we shall see voluntary pooling. Probably it will be no great disaster for the ordinary farmer, because he will not participate. I know the wheat pools will not get involved; not even Cargill need be involved. Perhaps these pools will work, but my guess is they will not. They have not worked in the past and it is unlikely they will work in future. Hopefully we will learn from this lesson and, when the next generation of parliamentarians finally comes to its senses, it will do the sensible thing, make sure grain is marketed in an orderly way under the auspices of a board like the Canadian Wheat Board, so that we can plan our economy properly and decently.

Mr. Jack Murta (Lisgar): Mr. Speaker, I had not intended to participate in this debate. However, having heard the hon. member for Yorkton-Melville (Mr. Nystrom) presenting his viewpoint on freedom of choice, the private enterprise system and socialism, I feel impelled to enter it. I cannot let his statements go unchallenged. You know, a bright young man who entered politics immediately after leaving university and who was never associated with farming should not hold himself out as an instant expert on agriculture. His speech was full of holes and wrong statements.

Mr. Mazankowski: It was fluff.

Mr. Murta: Many of his statements were totally wrong. Really, when we debate third reading of this bill we are debating, as that hon. member, and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) suggested, freedom of choice. We want to preserve it; obviously the NDP does not. It wants the farmers to have only one choice, the NDP's choice. The NDP presumably would make the rules for the system and farmers would be forced to obey. That is not freedom of choice.

Most farmers think the Canadian Wheat Board is doing a good job of selling. We agree. It has made some innovations since I first appeared on the political scene. In the early 1970's it encountered marketing problems. It overcame those and, under a series of innovated measures, sold to the private trade; in other words, sold wherever it could. It saw world prices were lower and stocks building up. Farmers in western Canada overwhelmingly support the Wheat Board. It serves us well at present, but may not be adequate in the 1980's. Of course, farmers are given the option of selling to the private trade for instant cash, if they want it. They have that advantage. Really, when you come down to it, that is the crux of the question: freedom of choice.

• (1150)

I have some concerns about Bill C-34 because of the fact that although the opting in provisions are there, the opting out

provisions are not there. Of course a pooling system would not work if people were allowed to opt in or out on a yearly basis. I am a little concerned that we may see at some point in time, ten or 15 years from now, rapeseed totally under the authority of the pooling system or totally under the Canadian Wheat Board, and I do not think that would be the right direction to take.

The main concern I have about the bill is that it opens the door, however slightly, to a total marketing board concept. But be that as it may, at present what we have is, in my opinion, true freedom of choice. If I want to market my grain on the open market or through the Canadian Wheat Board, I can do that. The hon. member for Yorkton-Melville (Mr. Nystrom), if he were a farmer, could do that same thing. He could market through the Canadian Wheat Board if he so wanted. It is not going to hurt either one of us. That is the point that is missed so often by the socialists when they talk about free enterprise versus socialism, about freedom of choice being really one freedom, that is, the freedom of marketing in one particular way.

In my opinion we have the best of both worlds so far as the marketing system at present is concerned. In many respects it is better than the American marketing system. I do not think Canadians will ever get into the grains selling system that the Americans have with their three or four multinational corporations which sell grain on a world-wide basis because, frankly, we do not have the resources; it is too expensive a game for us to play. But I certainly feel that with the Wheat Board operating the way it is and having a parallel system which allows me personally, or anyone else, to sell in a different manner if we so wish, that is the kind of system that we in the House should strive to preserve with every piece of legislation we bring in because in my opinion—and I know this opinion is shared by a good many farmers across western Canada—that is the kind of system that will bring us the maximum benefit so far as grains and oil seeds which we sell in Canada are concerned.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker—

Mr. Paproski: Here is another CPR farmer. He farms on CPR right of ways.

Mr. Benjamin: —I want to say a few words on third reading of this bill and to tell my friend, the hon. member for Edmonton Centre (Mr. Paproski), that as a CPR man—my father was one as well—I was born, lived, and raised and saw at first hand how farmers were treated by his free enterprise system and by the CPR. I worked on a section for a few weeks one summer.

Mr. Paproski: Have you learned to speak Ukrainian?

Mr. Benjamin: I did not learn how to speak Ukrainian, and that was a mistake I made. The issue here is pretty clear, I think. My colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), and I have advocated that the best way for grain producers in Canada to compete on the world market is to co-operate and do it together; that a small percentage, or even a significant percentage of rapeseed producers in a voluntary pool would not count for very much faced with dealing with governments of other countries or in competition with the four or five big multinational grain trading corporations, because they would not have sufficient muscle. A voluntary pool, even operated by two or three grain companies, which took in even the majority of our rapeseed producers would still not be big enough to count.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) regretted that Canada does not have a large grain trader of the size of the big four. I want to dispute that; we do have a large grain-trader in the world markets that has some muscle. It is called the Canadian Wheat Board. It has the backing of the overwhelming majority of grain producers in western Canada and, more important than that, it has the backing of the people of Canada, of this parliament, and of the government. In other words, the resources of this nation are behind the Wheat Board if ever needed. This gives us a grain trader that has the size and the muscle to count in world markets.

This bill makes provision for rapeseed. Canada's share in the market, so far as oil seed production is concerned, is minuscule—it is somewhere around 7 per cent—because we must compete with other oil seeds such as soybeans, peanuts, sunflower and cocoanut oil, and whatever amount of rapeseed we are going to export, or any other oil seed, requires a large, competent organization that has trading and financial muscle to compete in world markets. To suggest that a small percentage, or even a large percentage, of rapeseed growers in a pool with one or more grain companies can do that, I submit, is just dreaming.

We already have a large grain trader. The best way in which grain producers in western Canada can get the maximum value from their production is in a co-operative system of orderly marketing through the Canadian Wheat Board. In fact it is the feeling, certainly in the Saskatchewan Wheat Pool, in the National Farmers' Union and, I suspect, also in the Alberta and Manitoba pools, that since they already have an organization capable of doing that kind of marketing, we should not duplicate it by setting up additional pooling arrangements, voluntary or otherwise.

The Canadian Wheat Board has the expertise and the experience. It has offices all around the world. It is close to the farmers, it is accountable to the grain producers, to parliament, and to the government. The grain producers' interests are fully protected and guarded in many ways, and the grain producers in western Canada have said repeatedly for 40 or 50 years that they have exercised the freedom of choice that the hon. member for Lisgar (Mr. Murta) speaks about, which is orderly marketing through the Canadian Wheat Board. It is the logical, obvious, and proper vehicle through which to market all the grains produced in western Canada. I would even suggest that its name be changed to the Canadian grains board so that it would reflect more properly its duties and its terms of reference.

The hon. member for Yorkton-Melville has illustrated our position on this matter extremely well. I want to remind the hon. member for Lisgar that the hon. member for Yorkton-Melville is a third generation farmer. He was born and raised on a farm. I do not want to hear any inferences or innuendoes that somehow or other he does not have a farming background or does not know anything about farming. He can speak with authority on the matter because he has that background on both sides of his family, and has had it for three generations. He has also been in sufficient touch with grain producers in his own riding—as I would like to think I have—to reflect the views of those people. As he said, the views we are reflecting are not those of 10, 20, or 30 section farmers. I am not particularly interested in them. As far as I am concerned they are just greedy. However, the fellow who farms a section or two sections—that is the size of farm that the majority of farmers in western Canada have—has to have the protection of the Canadian Wheat Board and orderly marketing.

● (1200)

To suggest that a farmer on his own as a so-called independent free enterpriser on the open free market can compete with multi-million dollar corporations is just sheer nonsense. Grain producers learned that bitter lesson repeatedly over a period of about 40 years, and they said "no more". I wish that the government and the official opposition would stop clinging to these 19th century mythologies about free enterprise and the free and open market in such an essential commodity as grain. It does not work for grain producers. It might work fine for Cargill, Bunge or Continental, but it does not work for grain producers. It never has. It is not there to work for grain producers. That system is there to make profits for others but not for farmers.

The Canadian Wheat Board is there to maximize returns for farmers, not for the Canadian Wheat Board or for the Canadian government.

That is the essential difference between the two systems, and I submit that orderly marketing is the only sane or sensible way in which to operate. It is not some kind of a socialist dogma. The majority of grain producers of all political beliefs fully support orderly marketing and the Canadian Wheat Board.

I think this kind of legislation keeps the door open for the so-called free marketers. It allows them to keep their foot in the door, to survive and to make a few dollars. On the world scene those few dollars will not matter very much, considering the amounts these companies make in other countries, particularly in the United States. Those multi-national grain corporations have not only made profits off the backs of grain producers; they have also victimized the consumer in many instances.

When one reads the court records and learns of the investigations which have been carried on with regard to these multi-national grain corporations over many decades, he finds that the consumer has been victimized. These companies were around in the 1880's and 1890's. Grain producers in western Canada got rid of most of them during the thirties, forties and fifties, but now they are sneaking in the back door, with the encouragement and support of the old-line parties which still think there is some validity to their 19th century beliefs about the free and open market.

I hope that there will be a relenting and a change of heart, at least on the part of the official opposition, but I am not optimistic. I am sure hon. members to my right will allow this bill to be read the third time, and in a way that is very sad.

I regret accusing the hon. member for Qu'Appelle-Moose Mountain of supporting the minister in charge of the Canadian Wheat Board because that is a terrible thing to say, and I did not really mean it. That is the worst thing anybody from anywhere between Thunder Bay and the Rocky Mountains could say, so I will take that back, but I feel very sad that the hon. member and his colleagues would be party to the strengthening of the so-called free open market system and to providing government guarantees for a system which is supposed to be free and open and operating without government intervention. I find that inconsistent and hypocritical. It is a sad thing that they would still cling to those ideas. Perhaps as the years go by they will gradually realize that there are some areas of human endeavour in which the so-called private free enterprise system has no place and does not work in the interest of the people. Surely this grain business is one in which the so-called free and open market system has no place.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

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

[*Translation*]

CANADA LANDS SURVEYS ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT

Hon. Otto E. Lang (for the Minister of Energy, Mines and Resources) moved that Bill C-4, to amend the Canada Lands Surveys Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, Bill C-4 which I have the honour to introduce provides amendments to the Canada Lands Surveys Act which will make it possible to control and manage more effectively the survey of public lands in Canada. Those lands, according to the definition given in the Canada Lands Surveys Act, in its present form, mean "any lands, belonging to Her Majesty in right of Canada or of which the government of Canada has power to dispose, that are situated in the Yukon Territory, the Northwest Territories or in National Parks of Canada and any lands that are surrendered lands or reserves as defined in the Indian Act".

The present legislation on the survey of Canadian land also provides for the appointment of a Board of Examiners which will look into all matters concerning the examination, admittance and qualifications of the candidates to a commission of Dominion land surveyor or to a certificate of Dominion topographical surveyors.

[*English*]

The Canada Lands Surveys Act, which came into effect in January, 1952, replaced the former Dominion Lands Surveys Act. It has been amended twice since then, once in 1956 and again in 1966. As a result of increasing exploration in Canada's offshore areas and rapid technological advances in surveying techniques, particularly in the last few years, it is felt that changes in the act are needed.

The application of the act should be extended in order to bring the legal surveys required for the management and control of offshore resources under legislative authority and to facilitate better the administration, direction and control of surveys of all Canada lands. Accordingly, the term "public lands" has been deleted from the act and has been replaced by the term "Canada lands", which is broader in scope and more appropriate with respect to the new legislation. In addition, there is a need to re-define the professional standards of Dominion land surveyors, appropriate to the new era that has been opened up by rapid technological advances.

The revised standards should be comprehensive enough to embrace all persons engaged in surveying, whether on land, over or under water—mainly the offshore environment—or from the air, including the use of satellites, as well as in the interpretation, processing and display of resulting data. There is also a need for revision of educational and apprenticeship requirements in relation to the methods of qualifying surveyors of Canada lands and for an expanded board of examiners, designed to administer effectively what is, in essence, a public trust.

[*Translation*]

Mr. Speaker, one of the main objectives of these amendments is precisely to bring under the administration of this legislation the official surveys made in off-shore areas, as is the case for lands situated in the Yukon Territory, the Northwest Territories, Indian reserves, surrendered lands and national parks. Current regulations on oil and gas lands in Canada provide that only a federal surveyor may carry out an official survey of Canada lands in the sense intended by the regulation. The department intends to apply the provisions of the Canada Lands Surveys Act to all official off-shore surveys and to the specification of standards related to these surveys.

Another objective is to give to Yukon and Northwest Territories commissioners the power to undertake surveys of Canada lands they are administering in their respective territory. At the present time, the legislation empowers the ministers responsible for the administration of land in Canada to request the surveying of that land, but since the administration of the pieces of land that encompass territorial communities has been transferred to the commissioners in council, that power should also be extended to the commissioners.

A third objective is to repeal the sections requiring that Canada lands be laid out in quadrilateral townships, except where otherwise directed by the Minister of Energy, Mines and Resources. That system, which was initially devised for the subdivision of lands in the Prairie provinces, is not applicable for it provides for the establishment of a rectangular system of reserves so that roads, whether they be north-south or east-west oriented, may be equidistant. It is obvious that such a system is not practical in mountainous or uneven regions, as exist in the Yukon and Northwest Territories, and in practically all national parks and in several Indian reserves. Moreover, the repeal of those sections would make it unnecessary to amend the act following metric conversion.

As to the need to redefine the professional standards of federal lands surveyor, we could improve the quality of land surveys in Canada by making sure that surveyors are better qualified and fully conversant with the surveying methods which apply to off-shore areas. It would also be desirable to convey a new title to surveyors, that of Canada Lands Surveyor, to replace and supersede the previous title of federal surveyor or Federal topographer. It would also be desirable to gather under this designation all professionals who meet the requirements of land surveying in Canada, because in this era, conditions keep on changing, no matter whether these professionals operate on land, on sea, on the ocean floor or in the air. This new title stems from the new definition of "Canada Lands" which appears in the act.

The bill proposes to increase the number of members on the Board of Examiners from three to five, four of them being

[The Acting Speaker (Mr. Ethier).]

persons having training and practical experience in the major fields of surveying.

Mr. Speaker, we feel that the proposed amendments are likely to improve the quality of land surveying in Canada. Moreover, a number of very minor amendments which are desirable are included in this bill.

● (1210)

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, on the surface this appears to be a housekeeping measure to set up machinery for a modern system of surveys suitable for our northern and offshore lands. However, on reading through the legislation it becomes obvious that this is more than a housekeeping bill. There is a political operation going on here reflecting the government's determination to do away with the nomenclature we traditionally use to describe our country.

This country is still, legally, the Dominion of Canada, and traditionally we call the survey the Dominion Land Survey. The main object of this bill, and everywhere where that phrase is used, is to get rid of the word Dominion and replace it by Canada. And the phrase "Dominion lands" is replaced by "Canada lands". Looking around this country today, we find alienation from the government, alienation between the regions, alienation between groups. Surely we are in enough trouble. But here we find just one more exacerbation of the alienation to which I have referred. I cannot understand what possible good the government is doing by yielding to a few extremists who want to get rid of the word "Dominion". The word "Dominion" was decided upon at the time of the formation of our nation by people of many ethnic origins. They were to have dominion over this land from sea to sea. Yet here we find this squirreling going on.

The proposal to set up a survey system suitable for the north will arouse no great excitement among our people. But carrying into a housekeeping act this additional needle, adding to the tension which already exists in the country, is not sound, especially at a time when we should be working toward national unity, not disunity. I have to point this out loud and clear—and if my right hon. friend from Prince Albert were here he would make the point more forcefully than that.

The next point I wish to make concerns the handling of affairs in the territorial areas. If we look at the legislation which gives statutory powers to the minister in charge of the north we find he has all the powers of a czar. Any conscientious minister aware of this great power in his hands must worry a great deal about its exercise. I had it for three years and I must say it worried me. Every week scores of forms passed across my desk for me to sign, affecting the livelihood and security of people in the north about whose affairs I had no knowledge. Nor was it possible to gain personal knowledge of what was involved, since no minister can regularly fly 4,000 miles here and 4,000 there. He has to accept the words of his officials.

In 1963, when the government changed, the late Arthur Laing became minister. He decided to delegate this part of the work load to a number of senior officials across the north—a huge region. Knowing his sincerity, I asked him in the House whether he would make certain that the officials to whom he had delegated this power understood the significance of this completely dictatorial authority. Let me give the House an example of what I have in mind.

When you look at a map of the Yukon it becomes apparent that there is a vast unsurveyed area. In accordance with our concept of law, no one owns it. When land was granted to people in that area, every single acre had to be approved by the minister. Under Mr. Laing, that authority was transferred to five or six senior officials. Let hon. members read the legislation before them. That power still resides with the minister here. Any Privy Councillor, not only the minister directly responsible, can order the officials to conduct a survey. In addition, the commissioner can so order.

To get back to what I was saying: you see this vast area which does not belong to anyone—it is public land—and you approve a survey and give ownership of title. But suppose that in this vast area there are groups of native people, Indians here and Eskimos there, who use this land as a place to settle down during the seasons of the year when they are not travelling. When you find out months or years later that you have allowed a document to go through your hands, and you have allowed surveyors to go in and survey a piece of land and give ownership to a person, and you did not even realize the ownership you were turning over on a blank sheet of paper happened to be the traditional wintering grounds of 200 or 300 families of loyal Canadian citizens, that is what I mean by the danger which is not mentioned in this legislation.

● (1220)

In this legislation we have applied all the dictatorial rules which we applied to the citizens of the south, that if the government has directed that a piece of land be surveyed, any person is punished if he stops that survey. You can cross a person's land in southern Canada, and if any effort is made to hinder the surveyor, that person is the one who is guilty. They have applied this type of southern culture to the north.

Officials think the north is such a huge place that rarely will there be cases of infringement on native habits and customs. The fact is that it has been happening for all the years I can remember. Under this legislation you give statutory power, as if these native people are the same as those of us who are domesticated down here in the southern part of the country where we are used to taking orders from governments. These people have no legal claim to the land, under our law. They have just a moral right to it. They keep moving around and are not happy with a fixed boundary. Therefore I should point out to the minister and to the government that this housekeeping legislation has inherent in it great power to harm innocent people and a great ability to break a moral custom or a moral right that these people have to access and use of this land. We

are used to the fact that you put a wall or a fence around your property and say, "That is mine", but they are not.

I am aware of various groups which have been formed to put forward the rights of the native people. These rights have not been accepted under our law yet, although an agreement has been made. This problem of human relations between the mass of the Canadian people and these few thousand Indians up there is ignored in this legislation. This is looked on as purely a question of improving the survey system, and purely a question of getting the machinery to act efficiently.

We forget the lessons of our history when we move in and attack the culture of people. For example, when we moved in and attacked the culture of the Metis who lived along the Red River and the Assiniboine in Manitoba, the result was a rebellion in 1870. Every time you monkey around with a person's land or his culture, you get into trouble. I do not see any awareness in this legislation that there is any question of asking permission before you walk across a man's land to survey. It just provides that you have the right and the man will be punished if he interferes in any way. The only answer to this problem is for us in this parliament to trust the humanitarianism and the fair play of the minister and the commissioners of these various territories. That is all we have to protect us.

Under this legislation we are giving a tremendous dictatorial power, to public servants in most cases, but let us call them surveyors, and taking it away from the minister. It has to be done with some sort of a survey system. Referring to the question of commissioners, I would think that has to be supported. It has always struck me as very wrong that a minister in Ottawa has this power over 60 per cent of the land mass of this country. The power includes the bottom of the sea, the Arctic, the Pacific and the Atlantic half way across the ocean, which is probably three or four times more area than we have in the land mass. All this tremendous power under our legislation is now concentrated in the cabinet ministers here in Ottawa.

The phrase "and the commissioner" has been added over and over again in this legislation. The commissioner is the person who is responsible to Ottawa. He heads up the Yukon government and the commission which heads up the Northwest Territories. Some day I expect we will have two territories to make up the present Northwest Territories. At least we have turned over the power a little closer to the people, because the commissioners in the Yukon and the Northwest Territories have to share some of their decision-making powers with the elected council. Sharing the power which is now held by the minister or other Privy Councillors over the north, and widening that out to include the commissioners of the two territories, is an improvement. That improvement has to be supported.

The final point I should like to make is on the survey. The parliamentary secretary is quite correct when he said you cannot use the American style survey that we used in opening up the Canadian west. Because our west is reasonably rolling and level, it was very easy for us to adopt the survey of Ohio or Pennsylvania and bring it into western Canada.

If you look at the history of surveys in western Canada, there were five different stages of surveys. Essentially they were very unique and useful to us because every mile north and south there is a road, and every two miles east and west there is a road.

As I have said in this House on many occasions, the province of Saskatchewan, where only 4 per cent of the people of Canada live, has 36 per cent to 40 per cent of the roads, and that is why we get so sensitive when somebody comes along and wants to apply a new survey system. We spent the last 100 years, or at least the last 70 years, paying for these roads on one system of survey, and then the government comes along, carrying out the orders of a few junior grade public servants, and applies a new system of survey measurements called the metric system, for no good reason. We are not selling land around the world, and yet we are asked under the laws of the province of Saskatchewan to survey in a foreign system, which means millions of dollars of cost to governments at the municipal and provincial levels. It also means hundreds of millions of dollars of cost to individuals living in towns, cities, as well as in the country. This is rammed through even on the docile, domesticated Canadians who live in the south, and they do not like it. We can take it because at least we can read and know we are being gored.

When we go into a survey system in the north, it is not just a question of adaptation to some other survey system from a country like the United States or what we have in Ontario, the maritimes or Quebec. This is a survey system which has to be developed. It is designed for the rivers of the north and is designed for the mountains of the north. Imagine how silly it would be putting in a square system where you have a valley with the tablelands on each side of that river running a few miles out, and then into mountains which go up 8,000, 10,000 or 12,000 feet. It the early days of the French colony everybody lived along the rivers and the long lines served them very well. This is not the system which will work in the north.

• (1230)

In the north it is essentially a question of getting a survey system that is simple to operate on a resource based economy. Whether we like it or not, with some of our current, temporary, non-growth philosophies, the north is a tremendous resource area. To picture it clearly, just think of the resources at the bottom of the sea. Fish and other things live down there. A survey system designed for a settled area, along a river or in a mountainous river area such as there is in the northwest or the tundra of the central Arctic, would not apply to the bottom of the sea. It should be done on a grid system based on the natural curvature of the earth, such as is already in place in the Territorial Lands Act. That is how oil and gas permits are assessed and granted.

The grid system would be easy to locate because it could be numbered in such a way that to get a certain map, by a simple formula of taking the first number and second number—I am

not an expert in this—you could pull out that map. I know it is not necessary to put all the details of the type of survey in the legislation. The legislation before us simply gives the power to set up such a survey system as the minister directs and as is suitable for the north. The details come in the regulations, but sometimes when those regulations are being developed it helps to know that someone has some ideas about what makes a good survey system. If you think of a non-populated area, a terrain that is not smooth like the prairies, then it is really a question of getting a grid system which will make it easy to do the bookkeeping and indexing so that the people who work in the north know where the corners of those grids are and can measure from there.

We have made a good start in the oil lands but I know the base lines are not in place, and if there is any great quarrel over a few feet of land there could be a disaster up there. The fact remains, however, that we need a survey system based on big territory, and a simple grid system that can be easily indexed so that locations can easily be found.

I now come to the last point on this matter of the survey. I have mentioned the grid system as opposed to the linear type of measurement back from a river. We have talked about the square system that works fairly well in the prairies, except in the bush and the rolling country along the rivers in the northern prairies, but now we are moving into a new area of great immensity—I would say ten times larger than the land mass of Canada. We have to develop a system for this that is easy to locate. In the case of the underwater grid I think it will have to be done with references to base line points where, by triangulation and the use of modern radar equipment, location can be established by tuning into the signal given off by the beacon.

All this is known to the scientists who have developed this sytem in the years since World War II. We have a tremendous amount of knowledge about it which must be transmitted to the new class of surveyor who will be working in the north. That is why we have to approve this question of the schooling and discipline of those surveyors.

There is a purely political, common sense question that I should like to put to the government. Another bill is before the House on metric conversion which provides for the amendment of 90 different statutes before there can be complete conversion to the metric system at the federal level. Yet this bill before us does not seem to be aware that there is such a thing going on as metric conversion. Presumably we will have to bring this bill back in two years to be changed over to the metric system.

I simply suggest that if there is someone in the government who understands the difficulty of the government House leader in trying to get legislation through, he should tell these brilliant nitwits who draft the legislation to remember that there is another bill before us on metric conversion. In this area we are moving into the unknown—there are no cultures in the offshore areas being attacked; we are not stirring up the cultural traditions of a peasant people or anything like that, so why not agree to start out with the system that will eventually be imposed all across the country? I suppose this never crossed the minds of those who prepare legislation, but surely someone at the ministerial level on the legislative committee of cabinet should be able to see further than the political attractions of changing the name from "public lands" to "Canada lands" and from "Dominion land surveyor" to "Canada land surveyor," which will probably make him a better Canadian! It is stirring up disunity. Surely the legislative committee of cabinet should realize that another minister is trying to put through a metric conversion bill which only covers nine statutes and another bill will be required to cover the other 81 statutes.

Has the cabinet lost its capacity to think? Has the cabinet simply turned everything over to the genial, brilliant nitwits who came up with this? Where are the people in cabinet who think? Surely someone in cabinet must pay some attention to the ordinary, commonplace task of being a Privy Councillor?

There is nothing we can do about this situation today, but the bill will have to be amended before it is passed if the government seriously intends to bring in the metric system. I think it is time a giant firecracker was let off under the cabinet. When the government brought in a bill to amend the Canadian Wheat Board Act yesterday the opposition demonstrated that it could support it because in the main it was good legislation. But it does irritate us to have to take time over a housekeeping bill when obviously the minister presenting it does not realize that another minister is trying to get the metric system accepted.

This bill discusses surveys and is a demonstration of the asinine type of thing that goes on in the government. As people say when a government is in office too long, it is time they had a rest. I think this certainly applies now.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, to my mind, Bill C-4 is of very great importance. Indeed, it amends the existing act considerably. First, it proposes the repeal of the designation "Dominion" as applied to the lands of Canada in the act as it now stands. I feel that the substitution of the word "Canada" is quite normal in view of the evolution of our country.

If we go back to 1931, when the Statute of Westminster was passed we note that the word "Canada" is mentioned more often than the word "Dominion". Therefore, if we really want to assert ourselves as a people, who are proud of our country, we should everywhere, as much as possible, designate it under the name of Canada. For my part, I feel in no way offended by the proposed change. On the contrary: I am quite happy with it because in a few weeks we will be celebrating Canada Day. And so we evolve, we grow progressively. Our laws must absolutely be amended to reflect the change and use the word which should, more and more, find preference in the hearts of Canadians.

With regard to surveying, I must say that I had occasion, when I was a bit younger, to work with surveyors. I did love their work. I thought it was wonderful to accompany those

men who knew the terrain quite well, who could draw up plans so that the owners who later would live on those sites would recognize their lands and situate them very specifically. I also has occasion to participate in some research work to locate some land which belonged to an estate but had not been surveyed, as a result of which, quarrels and a trial ensued. That cost a lot of money, precisely because the land had not been surveyed: it should have been before, but had never been. Unfortunately, the heirs to the land spent huge amounts of money trying to prove they really had title to the land.

I feel that for a Canadian who owns land it is very important that he should know where it is located and what its limits are. To my mind, it is so important that he should know it by memory. The small plot of land one lives on, one really owns, is the embryo of one's country. Bill C-4 provides more than that.

Such surveys apply to the lands under the jurisdiction of the federal government, and as the parliamentary secretary said earlier, that will add to the responsibilities of Canada lands surveyors who will be drawing boundary lines even under water; as an amendment in this regard was passed this year and as Canada has extended its territorial limit to 200 miles, it will be necessary to be clear on that point if we want to be significant. We will then be able to defend our privileges and our rights if foreign fishermen were to fish within our limit.

This legislation also amends the selection procedures of new candidates. In my opinion, this new method seems at first sight excellent, for it quite clearly determines the requirements. No one shall be disqualified, for a provision of the legislation provides that the surveyors who are presently performing their duties will not be disqualified. They will be allowed to perform their duties without being disturbed.

The main feature of this bill is that it gives a commissioner in the Northwest Territories and in the Yukon the kind of authority Parliament wants to have. I think this is a provision in the bill we will have to consider more particularly in committee. To be convinced about this I shall certainly have to hear extremely valid reasons because I do not agree, at this time at least, with the idea that a commissioner should enjoy powers similar to those of a minister of the Parliament of Canada. Perhaps there are reasons of which I am not aware and when I know them I may change my mind but, in any event, right now I find it is not quite correct to give a commissioner this kind of responsibility. In brief, the bill concerns a very considerable expanse of land and the subsoil may contain unknown wealth. By giving the commissioner authority to have the land surveyed without any form of control on the part of the Parliament of Canada, we would be careless, I think.

Anyway, there is another clause in the bill which worries me a little, the one providing that the minister may appoint somebody from his office. That clause reads as follows:

"Surveyor General" means a person who is a Canada Lands Surveyor and is appointed as Surveyor General in the manner authorized by law or a person authorized by the minister to carry out the duties of the Surveyor General."

[Mr. Lambert (Bellechasse).]

I am a little concerned by the fact that the minister is empowered to appoint somebody to carry out the role of the Surveyor General. That leaves the impression that it is not necessary for the appointee to be a surveyor. Here again, when we review the bill in committee I hope the parliamentary secretary or the minister will be able to give us explanations to justify that amendment to the act.

I would not like to go any further on this subject because as a whole this bill, save for the restrictions I mentioned, is a step forward. It had become necessary to bring in amendments to the legislation, to get it clearer, so that we may really identify the borders of Canada without encroaching upon the rights of the provinces. As a matter of fact, there are also surveyors who carry out their profession in areas of provincial jurisdiction. The legislation provides that those surveyors can occasionally do surveys and act as if they were surveyors under Canadian government jurisdiction. Therefore, I do not see why they might have to complain about those changes which do not alter their rights in any way but, on the contrary, add to them since they are provided with even more responsibilities and they are being recognized as a necessary occupation. I am happy for them. I am convinced that Bill C-4 will certainly pass once amended in the way I have indicated and I assume that these people will be glad to have a clear and precise piece of legislation. It will thus encourage them to do their duties and to carry out their occupation in the best interests of the public.

● (1240)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am interested in two aspects of the bill, one of which has been mentioned by two of the previous speakers, namely, our relationship to the Dominion. It seems to me that we are being picayune in wanting to change the word "Dominion" to "Canada".

● (1250)

I have no objection to our country being called Canada. I have never really objected to the word "Dominion", but I think it is very picayune and it must take the kind of mentality I see in some quarters to think that it is going to be advantageous to bring forward every piece of legislation and change the word "Dominion" to "Canada". If the government really were sincere, it would bring forward enabling legislation to establish the basis for the definition of Canada. Then it would apply that substantive legislation to all the other pieces of legislation which are affected.

I can see us bringing a bill forward with regard to the Dominion Observatory to have it changed to the Canada Observatory. I can see us bringing forward all the other pieces of legislation which use the word "Dominion". It seems to me that we should first establish a definition for Canada. We should do that in a piece of legislation calling Canada "Canada". However, we should not be playing with it. How long do the Liberals think they can take advantage of using our establishment as a Dominion for 110 years, and use it for other purposes on a perpetual basis by changing the word "Domin-

ion" wherever it occurs periodically to "Canada"? Surely we ought to have enough guts to decide what we want to do, to act in a strong and forceful way and to pass substantive legislation in one measure to change all the acts which are affected. We do this with other things; why should we not do it in this case?

In a similar vein I am concerned that we really have not done anything about the territories. We are passing this piece of legislation not only for the new territories we are obtaining in the 200-mile offshore zone, but we are also applying it to the Northwest Territories and the Yukon. We are saying that the minister is no longer directly responsible for federal services in those areas in this regard, and certainly the operation of surveying is not small, although it affects a small number of surveyors. I presume they are in this category. We should really be looking at what we are going to do about some kind of self determination for the people of the Northwest Territories and the Yukon and giving them the right to make decisions about surveyors.

Surveyors are very important. In my part of the country they have been immensely important. The parliamentary secretary said that surveying is a science. If it is a science, it is a very inexact one on many occasions. There have been multimillion dollar lawsuits over the opinion of one surveyor against the opinion of another. This has happened particularly with regard to mining claims. Fortunes have been made and lost depending on lines drawn by surveyors. We have been very fortunate to have had the surveyors we have had. Surveyors have been able to establish a very accurate accounting of the lands of this country, and I would not want to see that changed.

It may not be offensive to change the number of members of the board from three to five, but I think we should be very careful with the training which is required and about the assurance which is given at the bottom of a deed, whether it be in the Northwest Territories or anywhere else. When a surveyor signs a deed, he has a responsibility, and the designation he gives to a particular property is important. We have been very fortunate over the years that our training of surveyors has been sufficient to ensure that a deed is accurate. I do not particularly want to see us dilute that by allowing the commissioners to have the responsibility for surveying. I am quite happy to see that responsibility remain in the hands of provincial authorities, and I think in the Northwest Territories and in the Yukon until we make the decision—and I hope it is very soon—that they will have the control of the surveyors and other government officials in their area, that control should remain the responsibility of the federal minister.

I do not want to prolong this. If the parliamentary secretary wants this bill passed before one o'clock, that is all right, but I want to point out that many people feel abused every time we go through this stupid argument about changing the word "Dominion" to the word "Canada".

If we really want to do that, let us pass legislation which will enable all other pieces of legislation to be changed by registering them under the enabling legislation. That will cause fewer hassles and will probably do more to promote unity than the kind of division which always comes about when we talk about changing the word "Dominion" to the word "Canada" or "Canadian".

Mr. Deputy Speaker: I wish to inform the House that, if I recognize the parliamentary secretary at this time, he will close the debate.

Some hon. Members: Agreed.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I personally have no difficulty with the word "Dominion". I regret that in some parts of the country some people feel the way the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the hon. member for Timiskaming (Mr. Peters) described. It seems that it is still difficult for some Canadians to accept that things can be Canadian. I see no difficulty with this type of evolution whereby more and more we are trying to develop a Canadian nationalism and a Canadian identification. I feel that the word "Canada" should be used more and more.

The faculty for adaptation of some of us is better than that of others, but inevitably things will be more and more Canadian. This is our country. I am proud that our major airline is called Air Canada, and we also have a company called Canadian Pacific. After all, they are Canadian.

[*Translation*]

I have much hesitation, difficulty and impatience, Mr. Speaker, when I see that some of my fellow citizens are still reluctant to identify more and more as Canadians. Having visited all parts of my country in the last couple of years, I can see that it does not correspond so much to the feelings I have detected in Canadians of all parts of the country. In the east as in the west, Canadians tend more and more to identify as such and more and more express this feeling of nationalism which is taking so long to blossom out in Canada.

Mr. Speaker, it being one o'clock, I would like to continue after lunch.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO STUDY ORGANIZED CRIME—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, before I move my motion, may I say that I am somewhat

disappointed that both the Minister of Justice (Mr. Basford) and the Solicitor General (Mr. Fox) are absent. I rise under the provisions of Standing Order No. 43 on a matter of urgent and pressing necessity. The Minister of Justice's indifference to the established facts of international gang-rule is absolutely astonishing, and his refusal to set up a royal commission on organized crime is undeniably mistaken. Therefore, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House views with alarm the increase in international organized crime in Canada and directs the government to establish a royal commission on the matter with full powers to subpoena witnesses and documents to get the hard evidence to lead to charges and convictions to stamp out crime in this nation.

Some hon. Members: Hear, hear!

Mr. Speaker: According to Standing Order 43, the presentation for debate of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The May labour force survey showed that unemployment in Atlantic Canada has reached the tragically unacceptable level of 12 per cent. Unemployment in Quebec is up two full percentage points from May, 1976, to 10 per cent in May, 1977. This government's policies have increased regional disparity and cost young Canadians dearly. There are 403,000 unemployed between the ages of 15 and 24. Therefore, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House urge the government to immediately implement a policy of full employment.

Mr. Speaker: According to Standing Order 43, the presentation of such a motion can be made only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST FOR GOVERNMENT ACTION TO CREATE JOBS—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing concern. In light of the fact that economic stagnation, and the failure of governments to act to solve the problems of unemployment elsewhere in the world has led to internal dissension, in light of the fact that we in Canada are faced with the double-barrelled problems of high unemployment and a separatist government in Quebec, and recognizing the desire

of the Canadian parliament to keep Canada together, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House urges the government to take new and immediate action to solve the unemployment crisis in Quebec and throughout this country before it is too late to save the country from the destruction which is inevitably bred by the continual failure of a national government to create a positive climate leading to more jobs.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

UNEMPLOYMENT IN CAPE BRETON—MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise under the provisions of Standing Order 43. My motion is prompted by the tragic unemployment situation existing on Cape Breton Island. In light of the announcement that there is to be a shutdown of a five-week duration at the Sydney Steel Corporation, which will add hundreds of additional unemployed to the ranks of an unemployment rate that is already the highest in the nation, and as a result of a largely attended public meeting of unemployed and others held in Sydney last night, I move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That a team of expediters from the Department of Manpower and Immigration and officials from the Unemployment Insurance Commission be immediately dispatched to Cape Breton Island to meet with the unemployed and municipal authorities to work out at least immediate short-term proposals to provide employment, particularly in view of the telegram that was sent to the Prime Minister and government ministers stating that if this was not done within 48 hours, further and more serious action would be taken.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

AGRICULTURE

RECOMMENDED CONTROL OF CHICKEN IMPORTS—ESTABLISHMENT OF NATIONAL MARKETING BOARD—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent and important matter.

Since massive imports of chicken from the United States endanger the Canadian agriculture industry and could cause the rate of unemployment to rise, I move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard):

That the House strongly recommend, on the one hand to the Minister of Finance (Mr. Macdonald), that steps be taken without delay to control effectively the imports of live and eviscerated chicken and, on the other hand to the Minister of Agriculture (Mr. Whelan), to take appropriate means to accelerate the creation of a national chicken marketing board in Canada.

Mr. Speaker: Order, please. Pursuant to the provisions of Standing Order 43, the presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR INQUIRY INTO ORGANIZED CRIME—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of the same Standing Order. In view of the information revealed in last night's excellent CBC special on organized crime concerning, particularly, the Hong Kong connection, and in view of the fact that ex-Hong Kong police officers Lui Luk, Choi Bing Lung, Chen Cheung You, Nam Cong and Hon Sum have—the Five Dragons—received landed immigrant status in Canada and that extradition proceedings have been sought against Nam Cong, I would move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Minister of Manpower and Immigration conduct an immediate inquiry into the circumstances of their admission to Canada to determine whether each individual has properly complied with all immigration rules, regulations and standards and, secondly, that the minister inquire whether any charges have been laid or are pending against these individuals in Hong Kong or elsewhere, and that the minister report to the House within two weeks from this date by way of a statement on motions so that the Canadian public can be reassured that the immigration service is not being subverted.

Mr. Speaker: Such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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IMMIGRATION

REQUEST FOR LANDED IMMIGRANT STATUS FOR CERTAIN INDIVIDUALS—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, I, too, rise under the terms of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Minister of Manpower and Immigration granted 21,000 ministerial orders in 1975, 18,800 in 1974 and 19,500 in 1973, cases which included persons who were prohibited from being landed under the provisions of section 5 of the Immigration Act, and in view of the fact that Canadians have always endorsed an immigration policy based on compassion and humanitarian considerations, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Manpower and Immigration consider granting Ronald Tove and Jeannie Rae landed immigrant status on the basis of humanitarian grounds.

Mr. Speaker: In accordance with the terms of Standing Order 43 the motion requires the unanimous consent of the House before it can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

ADEQUACY OF RCMP RESOURCES TO COMBAT ORGANIZED CRIME—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under the terms of Standing Order 43 to present a motion of urgent and pressing necessity. In view of the increasing awareness of the pervasive influence of organized crime in our country and the necessity for a greater priority by governments to counteract this alarming state of affairs, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the Solicitor General and the Minister of Justice take steps to reassess the adequacy of resources available to the RCMP in terms of personnel and equipment, and examine the priorities whereby so many RCMP officers are engaged in the policing of municipal and provincial statutes rather than directing their expertise to a more pressing and urgent need, that is, the combatting of white collar and organized crime as well as intelligence activities.

Mr. Speaker: The motion requires unanimous consent before it can be put. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF U.K. PARLIAMENT DELEGATION

Mr. Speaker: Before beginning the question period I should like to call the attention of hon. members to the presence in our gallery of a very distinguished group of visitors, being a subcommittee of the Select Committee on Procedure of the United Kingdom parliament, headed by a very distinguished member of parliament, Mr. Kenneth Baker.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ORGANIZED CRIME—REQUEST FOR NATIONAL INQUIRY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Justice. Given the renewed evidence last night on the second part of the CBC television series on organized crime that a great deal of the problem which is related to organized crime relates to matters clearly within federal jurisdiction, such as loan sharking, narcotics and immigration irregularities, will the Minister of Justice act immediately to have a national inquiry, preferably in the form of a royal commission, look into the state of organized crime in Canada and to recommend means by which we may take action to protect Canadians against organized crime in this country?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, essentially I would say what I said yesterday and what I said in committee this morning, that the most effective way of dealing with this problem is—

Mr. Baker (Grenville-Carleton): Here we go again.

Some hon. Members: Oh, oh!

Mr. Basford: —for this parliament to deal with legislation which is currently before it, one being the Immigration Act and the other being, more importantly, Bill C-51.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): What about the Historic Sites and Monuments Act?

Mr. Basford: Hon. members opposite seem very sensitive after last night's show.

Mr. Baker (Grenville-Carleton): The whole country is sensitive.

An hon. Member: Where is their hero today?

Mr. Basford: Mr. Speaker, I can only read and adopt the view of the Canadian chiefs of police who said on Friday, in reference to the passage of those wiretap amendments—

An hon. Member: They were in favour of capital punishment, as well.

Mr. Speaker: Order, please. The hon. Leader of the Opposition on a supplementary question.

Mr. Clark: Thank you very much, Mr. Speaker. The only group which is not showing sensitivity to this problem is the government of Canada.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Clark: The government of Canada refuses to take the action that it should take and pretends that somehow or other wiretapping would have stopped the Five Dragons or any of the other indications of illegality which were made very clear on the program last night. What is clear to the House of Commons and to the country, if not to to the government, is that a mere improvement in police technology is not going to stop organized crime.

Some hon. Members: Hear, hear!

Mr. Hees: You have got to be against it, not for it.

Mr. Clark: What is needed is a determination by this government to fight organized crime.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Paproski: Right on.

Mr. Clark: I ask the Minister of Justice, now, why he will not call an inquiry into organized crime in this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Basford: Mr. Speaker, I had some difficulty hearing the question of the hon. Leader of the Opposition. I did hear him say, however, that what is needed is a clear determination by this parliament to pass some laws. I would agree with that—

Some hon. Members: Oh, oh!

Mr. Basford: This parliament has been warned since 1974, 1975, 1976 and 1977 by the police authorities of this country that by reason of the law of this land they are handicapped in dealing with the organizers of organized crime. If there is determination needed anywhere, it is determination by the gentlemen opposite—

Some hon. Members: Oh, oh!

Mr. Mazankowski: What about capital punishment?

Mr. Basford: —to take their courage in their hands and pass some laws.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The House will realize that the principal combatants here are engaged in what is essentially a debate on measures which are before the House. If there is to be a use of the question period, it is to seek information. If there is to be—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Surely the House will understand—order, please—that in the exchange that has just taken place we have departed from the format of a question seeking

information and an answer providing it. If there is to be a use of the question period, perhaps we can proceed; but if we are to continue with the debate, then the debate ought to take place on the legislation.

• (1420)

Mr. Clark: Mr. Speaker, what we have departed from, and what we departed from long ago with this government, is the practice of giving information to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: What I want to know, and what the people of Canada want to know, is why this government refuses to get serious about fighting organized crime.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Why does it refuse to call an inquiry into organized crime in this country?

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, it was reported to this House in 1975 that the inability of the police to deal with organized crime was a clear and always present danger. I quote from a report tabled in this House to which the government responded by means of legislation—

An hon. Member: Like capital punishment.

Mr. Basford: —which needs to be passed, on the recommendation of every police force in this country. The Leader of the Opposition prefaced one of his questions with reference to the so-called Five Dragons. If he wishes to direct that question to the Solicitor General he will receive an answer about the Five Dragons.

Mr. Clark: Mr. Speaker, the Minister of Justice will obviously hide behind anything he can.

Some hon. Members: Hear, hear!

Mr. Clark: What we want to know—and it is a simple question—is why the Minister of Justice will not do his duty and call an inquiry into organized crime in this country, so that we might take all the action necessary to fight it.

ORGANIZED CRIME—WIRETAPPING LEGISLATION TO COMBAT—REQUEST FOR ROYAL COMMISSION STUDY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the only answer given to the Leader of the Opposition by the Minister of Justice was that Bill C-51 should pass. Bill C-51 excludes 11 million long guns and it changes the law in reference to wiretapping slightly. I ask the minister this question: In light of the fact that in 1976 there were 1,062 people wiretapped and imprisoned, and in light of the fact that of those 1,062 persons there were only 13 convictions, is that the minister's serious answer to controlling crime?

Some hon. Members: Oh, oh!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the hon. member and his colleagues remind me of the legal story: if you have a bad case, make lots of noise.

Some hon. Members: Hear, hear!

An hon. Member: You should know.

An hon. Member: Louder.

Mr. Hees: That is why you have been shouting.

Mr. Basford: The figures to which the hon. gentleman refers were explained in the second reading debate on that bill.

Mr. Woolliams: They certainly were not.

Mr. Basford: Obviously, authorizations obtained in one year do not lead to arrests or convictions in that year, but in subsequent years. Those figures were carefully documented by the Solicitor General in the second reading debate on the bill.

Mr. Woolliams: We have heard that answer before, and I notice the Solicitor General has changed that answer. This report is by His Excellency the Governor General of Canada, and it does not deal with that. I want to repeat, there were 1,062 phones wiretapped, and only 13 convictions. A royal commission would permit witnesses to be called and subpoenaed by the police.

In light of the fact that a royal commission inquiry into crime would permit documents to be subpoenaed, read and produced, which would lead to charges being laid and result in convictions, will the minister not reconsider his position, in view of the answer he gave me on September 17, 1975, when I pressed this matter forward in the House in reference to the crime commission inquiry going on in the province of Quebec, at which time he said that the provinces were handling it? Does he recommend ten royal commissions to be started in Canada, or will he take his responsibility under the BNA Act which calls for criminal law to fall under his jurisdiction?

Mr. Basford: I indicated yesterday that on these matters which involve the administration of justice I would, of course, consult the attorneys general. The Solicitor General and I have also consulted from time to time members of the RCMP, who feel that there are far more effective measures of getting investigations, charges, prosecutions and incarcerations carried out than by way of a royal commission. It is seldom that I agree with the *Globe and Mail*, but this morning it says, in an editorial referring to the Attorney General—

Some hon. Members: Oh, oh!

An hon. Member: Next day it will be the Toronto *Sun*.

Mr. Speaker: Order, please. The hon. member for New Westminster.

ORGANIZED CRIME—HONG KONG POLICEMEN GRANTED LANDED IMMIGRANT STATUS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It, too, is inspired by that most excellent program of the CBC which this House tends to kick around from time to time. Perhaps we should offer it our congratulations for a job well done.

Some hon. Members: Hear, hear!

Mr. Clark: It does its job.

Mr. Leggatt: Would the minister advise the House whether the five Hong Kong policemen who attained landed immigrant status in Canada met all the standard criteria under the Immigration Act? Can he also advise us whether any of them are at present sought by the authorities in Hong Kong, and in particular can he advise us whether, with respect to one Nam Cong whom they have been trying to extradite back to Hong Kong, his department has co-operated in the extradition proceeding?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, it is wonderful that we have people from the British House of Commons learning how we conduct ourselves during the question period.

Some hon. Members: Oh, oh!

An hon. Member: At least they get answers over there.

Mr. Cullen: I am afraid they will go back and say they had nothing to learn from the opposition parties, at any rate.

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Paproski: You bombed out twice. Now try a third time.

Mr. Cullen: It is hard to know which hon. member to reply to.

Mr. Speaker: Order, please. It seems to me that the question which was put by the hon. member for New Westminster was a very straightforward and direct question.

An hon. Member: Just answer the question.

An hon. Member: Clean up your act.

An hon. Member: Laughing on the outside, crying on the inside.

Some hon. Members: Oh, oh!

Mr. Cullen: Mr. Speaker, the hon. member did, in fact, have a serious question and I was getting around to it. But I thought it might be more appropriate if he could hear my answer, and I thought that by making that comment I would quieten down hon. members opposite. At the time of admission, none of the former Hong Kong policemen referred to had been convicted of any crime and they were, in fact, legally admitted to Canada. Some people suggest that they might have committed crimes in Canada and on that basis should not have been admitted. That is something we can debate later. The department, however, has been aware for some time of the allegations made against these persons, but so far investigations have not revealed any evidence that would permit action under the Immigration Act. In one particular case I understand that a request for action has been made by the Hong Kong authorities to have an individual returned, and a Federal Court judge dismissed that application and ordered the suspect freed and proceedings dropped. In so far as extradition proceedings are concerned, that would come under the aegis of my colleague, the Solicitor General.

[Mr. Basford.]

• (1430)

ORGANIZED CRIME—NUMBER OF RCMP OFFICERS ENGAGED IN INVESTIGATIONS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I ask the Solicitor General whether he can advise about extradition proceedings against Nam Cong. In addition, would he advise the House why it is that the RCMP has assigned, according to my information, some 600 individuals to be actively engaged in looking into political subversion in Canada? The RCMP also has another 500 from the Department of National Defence to give them a hand in terms of political subversion in Canada. My information is that there are six full-time RCMP officers in Ottawa whose special responsibility is organized crime. Would the Solicitor General advise whether my information is accurate or otherwise, and would he also advise the House whether he believes this is a fair balance in view of the risk to the country brought about by either political subversion or organized crime?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as far as extradition proceedings are concerned, I have received no requests concerning this matter, which I presume in any event would be addressed first to the Secretary of State for External Affairs.

An hon. Member: There's another buck passed.

Mr. Clark: We will soon get around to Goyer.

Mr. Fox: The hon. member also asked a more general question in connection with organized crime. Listening to the opposition during the course of the question period this afternoon, one gets the impression that they discovered organized crime on Monday and Tuesday nights by watching television.

Mr. Fraser: Sunday and Monday night.

Mr. Clark: He's got the days wrong, too.

Mr. Fox: The RCMP has been very interested in the activities of organized crime in this country since the mid-1950s. I have consulted the RCMP on a number of occasions concerning the question of the crime inquiry which hon. members opposite have referred to. The very seriously considered advice I received from the RCMP is that in many instances, while a national crime inquiry night be dramatic and make good television, it is not the most productive way to deal with organized crime. I am advised it would be far better to proceed with joint force operations. I would like to give one example. As a result of joint force operations in the Toronto area there have been over 40 prosecutions in the last four months. The RCMP has also participated in setting up—

Some hon. Members: Order.

Mr. Baker (Grenville-Carleton): If he wants to make a statement, we will let him.

Mr. Hees: Turn the page, Francis.

Mr. Fox: —a criminal intelligence service, which was suggested by the then minister of justice in Quebec in 1966. Since that time there have been more than 48 police departments involved with this criminal intelligence service. This includes 22 RCMP crime intelligence units right across the country. This indicates that one of the top priorities of the RCMP has been, and will continue to be, the fight against organized crime in this country.

Some hon. Members: Hear, hear!

ORGANIZED CRIME—RESOURCES TO COMBAT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I know there is a lot of noise in the House, but the Solicitor General obviously did not hear my question. My question dealt with the allocation of resources in the fight against organized crime. The minister did not respond. However, in terms of the discovery of organized crime in Canada, I can assure the Solicitor General that we have known about it and that the RCMP has known about it. What we want to know is why nobody has been doing anything about it and why charges have not been laid.

My question goes back to the Minister of Justice. Under the existing wiretap law which we are seeking to amend there are almost no offences that we were shown on that television show which could not have been dealt with by wiretapping under the existing law. I want the minister to tell this House why we have not seen more charges against mafia leaders, the Five Dragons and other people when the wiretap law has been available to the RCMP all this time.

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, my colleague, the Solicitor General, will be happy to answer specific questions with regard to the Five Dragons.

Some hon. Members: Oh, oh!

Mr. Paproski: Why don't you try MacEachen. Allan knows everything about dragons.

Mr. Basford: As to the balance of the question, there is a long record—and I would be happy to answer by way of a written answer—of the charges laid and the convictions obtained by the RCMP over, for example, the last four years. They are very extensive. The hon. member for New Westminster knows very well that the activities of the co-ordinated law enforcement unit of British Columbia, of which the RCMP is a member and actively co-operates, have led over the last two years to a number of very serious drug conspiracy, heroin importation and other hard drug charges being laid. These criminal activities have been broken up and the people involved brought to court. That is as a result of effective police work. For the last three years reports from the RCMP and from others have been before this parliament, and the RCMP and others can be more effective against organized crime if some amendments to the law are passed.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR MEASURES TO RESTRICT CHICKEN IMPORTS AND PROTECT PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, with your permission, perhaps we could drop jailbirds and speak of poultry.

My question is directed to the Minister of Finance. As the Quebec Federation of Poultry Producers complains bitterly that Canada imports a lot of poultry from the United States at the risk of jeopardizing our own poultry industry, can the minister tell the House whether he is acquainted with the telegram allegedly sent to him by the Quebec Federation of Poultry Producers requesting his intervention through the adoption of steps to protect the poultry producers and their industry, and if so, what reply was given to that telegram?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have had talks with my colleague the Minister of Agriculture concerning poultry markets. I believe he will be in a position to make a statement on the matter within a few days.

Mr. Lambert (Bellechasse): Mr. Speaker, in view of the answer which the minister has just given and the anxiety felt by the producers, could he tell exactly to the House what was the reply to the telegram so that we may provide information to those who quite logically come to us as members and thus enlighten them and somewhat restore their confidence?

Mr. Macdonald (Rosedale): Mr. Speaker, I take the question as notice for my colleague and I will ask him to answer the hon. member.

[*English*]

ADMINISTRATION OF JUSTICE

ORGANIZED CRIME—REASON GOVERNMENT HAS NOT APPOINTED ROYAL COMMISSION TO STUDY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question for the Minister of Justice, and possibly also a question for the Solicitor General. I wonder why the government has decided not to have a royal commission on crime. Is it the fact that if such a commission were set up, some revelations about some well known and pampered pets of liberalism would be made? I refer to people such as John C. Doyle who, despite the fact that he had a criminal record and wanted to get out of the country, had his passport returned to him, thereby enabling him to be a fugitive from justice. Hal Banks was able to escape punishment by leaving Canada after being granted bail, with the government consenting thereto. I refer, also, to Lucien Rivard, of rink-icing fame. Is the government afraid that if a commission were set up, some revelations concerning these matters, which have been hidden for several years, would be made? Is that the truthful reason—not an evasive reason—for the failure of the government to set up this commission?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, in spite of the fact that the right hon. gentleman has played an outstanding role in the public life of this country, I find it very hard to believe that he would ask that question about a very serious problem with any other purpose than the purpose of mischief.

Some hon. Members: Hear, hear!

● (1440)

Mr. Basford: Mr. Speaker—

Mr. Hees: You are too precious, Ron.

Mr. Basford: —I only mention two points: first, that of Mr. Banks.

Some hon. Members: Oh, oh!

Mr. Hees: Just listen to the corporal.

Mr. Clark: Are you going to phone a judge?

Mr. Basford: I think the record will show that the government of the right hon. gentleman did little about that situation. Second, with regard to Mr. Doyle I just indicate that, of course, the removal of the passport of someone on bail is a decision not of government but of a magistrate or judge.

Mr. Diefenbaker: Yes, but with the consent of the government.

Mr. Basford: That was opposed by the attorney general of Newfoundland. Second, in connection with income tax matters, I made it clear in this House that the instructions to our

[Mr. Macdonald (Rosedale).]

counsel, from both myself and the Department of National Revenue, are to pursue those income tax matters as expeditiously as possible. Third, the right hon. gentleman will know that only a short time ago action was taken pursuant to the Canadian Corporations Act to seize and examine the records of Canadian Javelin.

Mr. Diefenbaker: Mr. Speaker—

Mr. Alexander: Go get 'em, Chief.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I did not get the contribution of the hon. gentleman opposite. What was it? He always runs for cover from a seated position with those interruptions of his. I ask the Minister of Justice, can he come clean? I am not suggesting in any way connivance on his part or deception. I never do that with regard to this government. It is stupidity. I ask this: Now that he believes he has an answer to the question I raised, will he reconsider the matter? Will he give the country the opportunity to find out the truth, to find out why those protected and pampered Grits received such good attention over the years?

Mr. Basford: Mr. Speaker, unlike the right hon. gentleman, I cannot become much cleaner.

Mr. Clark: Then have an inquiry and let's see.

Mr. Hees: You are splitting hairs. Stick to the straight line, Ron, and don't try to be funny. You are comic, anyway.

Mr. Basford: Where's George Hees?

Some hon. Members: Hear, hear!

Mr. Hees: Let's not split hairs.

Mr. Basford: Mr. Speaker, I suggest that in none of the three cases raised by the right hon. gentleman is there evidence to support the proposition that there should be an inquiry. The only matter in which action is being currently taken is with regard to John C. Doyle, and I have already stated the government's position on that. Instructions have been issued to counsel that every possible step should be taken in court to prosecute with regard to outstanding income tax matters. Second, an investigation is being conducted into the corporate affairs of Canadian Javelin Limited. We are taking proper, investigative legal measures and there is no need to call or to have a royal commission on the matter.

Mr. Hees: What about your pal Hal?

ORGANIZED CRIME—HONG KONG POLICEMEN GRANTED LANDED IMMIGRANT STATUS

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration fol-

lowing the straightforward questions of the hon. member for New Westminster to which the minister replied in a jocular manner. The minister indicated that when the so-called Five Dragons were given landed immigration status there had been no investigations concerning criminal activity. I ask: When they were given landed immigration status, did they qualify under the points system, or were they given landed immigration status on the basis of their entrepreneurial skills?

An hon. Member: They were refugees.

Mr. Epp: Further, if no such information was available, did he meet with officials either today or last night after the new information became public? Did he instruct his officials to carry out a thorough investigation or inquiry of those five in order to determine if the immigration department was subverted by those persons who were given landed immigrant status under highly questionable circumstances?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, first, the hon. member misquoted me. I said they had not been convicted of any crime. That was my response to the question raised by the hon. member for New Westminster. Second, I said we had been made aware of allegations made against those persons. So far, investigations have not revealed evidence which would permit action under the Immigration Act. Our investigations are continuing.

Mr. Epp: A supplementary question, Mr. Speaker. In view of the serious allegations made in the CBC documentary concerning certain immigration officials who apparently were helping to land known mobsters in Canada—apparently these criminals were entering and leaving Canada at will—would the minister consider establishing an independent inquiry into the operations of the Immigration department, for two reasons: one, to clear the names of the many immigration officials who do their jobs honestly and fairly; second, to bring to justice those who are in collusion with mobsters, assuming those facts can be borne out by an inquiry?

Mr. Cullen: Mr. Speaker, I thank the hon. member for his comments about the vast majority of members of the department who do their jobs honestly, effectively and well. They are to be commended, especially given the situation they face every day.

Some hon. Members: Hear, hear!

Mr. Cullen: Since some 75 million people cross our borders every year, they do a fantastic job. We are always disturbed when we hear allegations of this nature. First we should check them out before we condemn anyone. Investigations are under way to see if new facts or evidence can be brought to light. That is being done, Mr. Speaker.

Mr. Fraser: Let's have a commission.

Oral Questions

ORGANIZED CRIME—ENTRY INTO CANADA OF HONG KONG POLICEMEN

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Solicitor General. In his earlier reply he suggested that the official opposition had only discovered organized crime last night, courtesy of television. I point out to the minister that 16 months and one day ago, on February 13, 1976, I asked the then Solicitor General about the 12 former Hong Kong policemen who had fled from Hong Kong in the face of an investigation by the independent commission looking into corruption, and their entry to Canada, in order that a dangerous situation would not be allowed to develop. The matter was also brought to the attention of the present Minister of Justice, who acknowledged the existence of the letter of complaint in May, 1976.

Mr. Baker (Grenville-Carleton): A cover-up.

Mr. Clarke: Mr. Speaker, the Solicitor General at that time said that he had not heard of such a report, but would consult with the Minister of Justice and the RCMP about it. My question at this time is this: Did those consultations take place with the Department of the Solicitor General, and what were the results?

Mr. Baker (Grenville-Carleton): They never heard about it.

Hon. Francis Fox (Solicitor General): Mr. Speaker, as hon. members who watched television last night know—

Mr. Clark: That is the first you knew of it.

Mr. Fox: —many allegations were made last night, and I would suppose that on the face of it some of them are far-fetched.

Mr. Baker (Grenville-Carleton): How do you know?

Mr. Fox: As far as the ex-Hong Kong policemen are concerned, there are ongoing consultations between the Department of Manpower and Immigration and my department.

Mr. Paproski: Yes, you are going to meet at five after three.

• (1450)

Mr. Fox: Of course, Mr. Speaker, the decision as to immigration to this country rests ultimately with the Minister of Manpower and Immigration.

Some hon. Members: Oh, oh!

Mr. Fox: There were many allegations made last night. Some referred to ex-Hong Kong policemen, some of whom would have been hired by the RCMP. There was a Mr. Ko who was a former member of the Hong Kong police force. He was hired by, and stayed with, the RCMP from 1969 until 1975, at which time he left.

Some hon. Members: Oh, oh!

Mr. Fox: it is also important to let people have the right to defend themselves against some of the serious allegations that have been made. The hon. member raised the question about Hong Kong policemen. I am trying to give him an answer. There was also a question raised about Mr. Chan who was employed, and is still employed, by the RCMP. He has been the object of a number of allegations that originated particularly in the underworld in Vancouver over the past few years. This individual has been extremely helpful in solving a number of drug cases in the Vancouver area. We ought to set the record straight. Mr. Chan is still in the RCMP and is a valuable member of that force.

ORGANIZED CRIME—GOVERNMENT INFORMATION ON HONG KONG IMMIGRANTS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a supplementary question for the Minister of Justice. The minister acknowledged in his letter that he had made inquiries into the matter raised by Mr. Parwani of the Hong Kong *Star* and had asked his officials to advise him if any additional information had come to light. That was in a letter written in May, 1976. I ask the Minister of Justice at this time what reports did come to him concerning this very serious matter which he has known about for over a year.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not have the report in front of me. However, as I recall it, those individuals that were mentioned were legally landed knowing that there were royal commissions under way in Hong Kong which might result in reports being made against some of them, and those reports might lead to requests for extradition. Subsequently, as a result of those royal commission inquiries in Hong Kong we were asked for our assistance in extradition, and assistance was given.

ORGANIZED CRIME—RCMP RESOURCES TO COMBAT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. Is the Solicitor General satisfied that adequate resources, in terms of equipment and trained personnel, are presently available to the RCMP in order that they may turn increased attention to combatting organized crime and concentrating on security and intelligence matters; and will he, in order to expedite the priorities which I am sure he will agree ought to be given to the force in these respects, reassess the resources which are now being used by the force to police municipal and provincial statutes which could be done by other law enforcement agencies or even, in some cases, by para-police organizations and free the RCMP for more urgent and pressing duties?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I would like to know if the hon. member is speaking as official critic for Her Majesty's Official Opposition, and whether the opposition is taking the position that the RCMP ought to be pulled out of the provinces and cease fulfilling their obligations in that regard.

[Mr. Fox.]

Some hon. Members: Oh, oh!

Mr. Fox: That is certainly a very valid deduction from the hon. member's question. As far as the more direct part of the question is concerned, I indicated previously that the fight against organized crime is a priority issue within the RCMP. This is being done at the provincial level, where the RCMP are fulfilling their obligations under provincial contracts, and at the federal level. It is quite certain that any police force would like to have more men and more equipment. That is almost a certainty. I refer the hon. member to the exercise in restraint announced by the government two years ago. I point out that one of the few agencies not subject to that type of restraint in terms of men, money and equipment was the RCMP and other elements of the criminal justice system.

Mr. MacKay: Mr. Speaker, I was hoping the Solicitor General would agree that a more selective and intelligent use of the RCMP's capabilities was in order, but I see that he is too sensitive to concede it. Does he intend to press for more resources for the RCMP and to secure better treatment for the force by bringing in at least some of the recommendations of Judge Rene Marin, so that the morale of the force can be improved and they can get on with their very important duties and not start nit-picking about some of the unsatisfactory negotiations with respect to the provincial responsibility of the RCMP?

Mr. Fox: Mr. Speaker, as I have already indicated in previous responses to the House and in response to questions brought to my attention during the course of the examination of the estimates of the Department of the Solicitor General, a number of recommendations of the Marin commission have been implemented by the force. I look forward to introducing legislation at the next session of parliament, or in the fall, whichever comes first, implementing some of the main recommendations of the Marin report.

ORGANIZED CRIME—ROYAL COMMISSION STUDY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Justice. In view of the minister's oft repeated argument that a royal commission on crime is best handled at the provincial level, will he advise whether he really believes a provincial attorney general would feel he has the proper jurisdiction to inquire into such matters as the very serious allegation last night that there were criminal influences at work within the RCMP, criminal influences at work within the immigration services, that there has been a laundering of foreign, criminal moneys through tax havens for investment, jurisdiction over narcotics, the interprovincial and international organization of crime and, something that has not yet been referred to in this House, the possible involvement of federal members of parliament in this matter? Does the Minister of Justice really believe that a provincial royal commission could properly investigate and report on these matters, when obviously this jurisdiction lies at his door and no one else's?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there are obvious areas in the hon. member's list that would be difficult for provincial inquiries, such as wrongdoings by members of parliament, unless those members of parliament were committing a criminal offence within a province as it would then lend itself to a provincial inquiry. There is the matter of immigration which my colleague, the Minister of Manpower and Immigration, indicated is the subject matter of an inquiry. On the subject of narcotics, the provincial attorney general of British Columbia, myself and our respective officials have been meeting over the past four months in order to devise the best possible way to deal with both the supply situation and the demand situation for narcotics, and how to most effectively deal with drug-related crime that evolves from the drug trade. I mention British Columbia because it has the highest percentage of drug use in Canada and the highest percentage of drug-related crime.

Throughout those discussions among both ministers, our officials and our respective police and law enforcement authorities, nowhere has it been suggested that the appropriate answer to dealing with those problems which are apparent to everyone would be by means of a public inquiry.

* * *

● (1500)

PRIVILEGE

MR. WAGNER—REMARKS MADE ON CBC TELEVISION PROGRAM

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I rise on a question of privilege following the deliberate, Machiavellic and savage smear attack launched last evening against my personal integrity by the CBC's hatchetmen, William MacAdam, Richard Nielsen, et al.

Some hon. Members: Hear, hear!

Mr. Wagner: Throughout my public life, I have studiously refrained from suing the media, whose right to irresponsibility has now become, for too many of its representatives, a Canadian tradition. But last evening, treacherous innuendos, unwarranted and unfair, carried by the national network leave me with no alternative but to bring the matter to your attention, Mr. Speaker, prior to pursuing it further in the courts where justice will supersede amateurish sensationalism coupled with hooded anonymity.

I do not have to apologize for having been the most ardent foe and scourge of the mafia since I entered public life in 1960.

Some hon. Members: Hear, hear!

Mr. Wagner: I do not have to remind friends and enemies alike of my activities as a Crown attorney and as a judge to end the influence of the underworld in Quebec society. Nor do I have to recall those years of sincere dedication to law and order as solicitor general, attorney general and minister of justice, despite the ugly threats to my family and myself requiring 24-hour security to permit me to discharge my duties.

Mr. Speaker, I am proud of my record as a crusader against organized crime throughout my judicial and political career. I will not accept lying down the defamation attempt of which I was the victim last evening by the CBC's hired hit men.

Some hon. Members: Hear, hear!

Mr. Wagner: Mr. Speaker, no CBC reporter and no CBC producer will do to me and my family what the mafia was unable to do to us in my 17 years of public life. Therefore, on this question of privilege, and with the utmost respect, I rest my case in your hands, Mr. Speaker, hoping that you, and through you the Secretary of State in a statement on motions will secure from the CBC a public apology without delay, without conditions, in the hope that such an apology published by all media will, after the fact, lessen the pain and suffering my family and I have endured.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has returned to the question of privilege which has been raised in the past few days. The question began in a general form with the hon. member for Peace River (Mr. Baldwin) about a week ago. It has been contributed to on several occasions in the intervening period and there have been some major contributions as a result of events that have taken place since that time. Nevertheless, all of the contributions, including those made yesterday, have a general bearing on the over-all question which I had intended to rule on today if at all possible.

In the light of the notice I received this morning from the hon. member who has just spoken, I thought it would be appropriate for me to hear him before attempting to make a general pronouncement on the questions of privilege, as they relate to the very important relationship between this House and the freedom of the press. I would, therefore, like to take these latest remarks into account and perhaps allow a few more days to pass before I attempt to comment definitively on the relationship between the freedom of the press and the House of Commons in the rather narrow context of privilege.

A point which has some bearing in a rather indirect way, but is nevertheless tied to the actions of the press, was the one raised some time ago by the hon. member for Vancouver-Kingsway (Mrs. Holt). I indicated earlier that that point remains outstanding as well, and I would like to try to resolve it at the same time. Last week I indicated that hon. members who felt there was something else to contribute to the point raised so ably and thoroughly by the hon. member for Vancouver-Kingsway ought to be given an opportunity to do so. If there are any contributions which hon. members wish to make, I would certainly hear them now on the point raised by the hon. member for Vancouver-Kingsway, which concerns the British practice of holding as a breach of the privileges of the House the publication of a confidential committee report.

I see the hon. member for New Westminster (Mr. Leggatt) is seeking the floor.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will be quite brief. One of the things which prompted me to rise was your mention that it was the British practice that should be looked at most carefully. I should like Your Honour to take a further look at our own Standing Orders in relation to the publication of confidential documents. It would seem to me that the Canadian practice, not merely the British practice, needs to be followed.

I believe it is vital to the rights of members of parliament that confidential documents which are lying in this place or around this place should be treated by the press as matters of confidence, and if the press fails to do so it seems to me some action should be taken against them. When documents are marked "Confidential" they should be kept confidential, because the privilege of coming into this place is a special one which we grant as members of parliament. I am, therefore, asking Your Honour to accept the lucid and eloquent argument put forward by the hon. member for Vancouver-Kingsway (Mrs. Holt) that in the case of a prima facie breach of privilege only a standing committee of the House can determine the true cause and protect the confidentiality of documents which all of us have around this place.

● (1510)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on the point alluded to by the hon. member for New Westminster (Mr. Leggatt), and following along with what Your Honour said in dealing with these matters, I hesitate to say there is a mixing of questions of privilege. Though they relate to the press in a very general way, they are quite different from the point of view of the judgment which must be made by you, sir.

The question of privilege which was originally raised by the hon. member for Vancouver-Kingsway (Mrs. Holt) is a matter which stands on its own set of facts. It is not on all fours with the facts raised by the hon. member for Saint-Hyacinthe (Mr. Wagner), the hon. member for Peace River (Mr. Baldwin), and the hon. member for Maisonneuve-Rosemont (Mr. Joyal). The cases are different. I suggest, with the greatest respect, that the jurisprudence of this House on those two points would not be as clear and as precise as this House would require and that the press would require, depending upon Your Honour's judgment, if you dealt with those two matters as if they were part and parcel of the same question. I hope Your Honour was not leading to dealing with the matter in that way.

Mr. Speaker: Let me assure the hon. member for Grenville-Carleton (Mr. Baker), and all hon. members, that I propose to deal with them at the same time, but as entirely separate items. The hon. member for Scarborough East (Mr. O'Connell).

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I rise on a very brief point. I recall having raised a question of privilege with respect to the publication by certain newspapers of the interim report of the special joint committee on immigration policy before it was presented to the House. In Your Honour's ruling there, if my memory is correct, and I have checked it very quickly, you referred to the difficulty in making that case in that my allegation was not specific and there was no specific allegation of misconduct affecting the privileges of the House. I should like to raise the possibility that in your ruling you give some guidance to us as members as to what constitutes specifics. Must the newspapers be named? Must persons be named? I had named newspapers, but I did not name persons. One of the reasons we seem to fail in these questions of privilege is that from a layman's point of view the very act of publication is a misconduct. That is a specific misconduct and should not need to be any more specific than that. That is why one seeks a reference to the committee to explore the facts. I would appreciate it very much, as would, possibly, the hon. member for Vancouver-Kingsway, if we had some clarification on what "specific" means in terms of our rules with respect to questions of privilege of this kind.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, apropos the question of privilege just articulated by the hon. member for Saint-Hyacinthe (Mr. Wagner), I know in considering these matters that Your Honour must take into account traditional precedents and the traditions of this House. I would suggest and recommend most strongly to you, Mr. Speaker, as the chief protector of our rights, that there comes a time, in terms of our relationship with the fourth estate, while we pay attention to precedents and to traditions, that modern phenomena be given precise consideration by Your Honour in determining whether privilege exists.

I remember that my father appeared on behalf of Sir Arthur Currie, after the Second World War, on a libel cause. There was just a little column placed in a little daily newspaper. We are not discussing little articles in a weekly or a daily newspaper; we are talking about a modern phenomenon—television. Millions of people watch television during prime time. We are talking about a phenomenon called smear by innuendo.

In considering the valid privilege of the hon. member for Saint-Hyacinthe, I would hope this modern phenomenon—libel through the electric media—with millions of people watching at prime time on Sunday nights is not the same as a traditional insertion in a weekly or a daily newspaper. Whether we like it or not, we have got to come to terms with this modern phenomenon in the electric media, especially with regard to smear by innuendo. I appeal to you, sir, as the first commoner amongst us, to give consideration to the valid question of privilege stated by the hon. member for Saint-Hyacinthe.

Mr. Speaker: Order, please. As I indicated earlier this afternoon, I hope hon. members will bear with me as I take a few days to bring this matter together to deal with the various questions which have been raised: those relating to the recent television program in respect of organized crime, those of about a week ago in respect of the relationship between the government and the press of the country, and those raised

earlier by the hon. member for Vancouver-Kingsway (Mrs. Holt) in respect of premature publication of what was allegedly a confidential document. I will attempt to do so and shall try to keep the House informed as to exactly when I will make that decision.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to raise a point of order arising out of yesterday's question period. It is important to us from the point of view of the operation of the question period. I am concerned with the first questions by the hon. Leader of the Opposition during the oral question period. He was followed by the hon. member for Lisgar dealing with the government's policy respecting appointments to the public service. The questions by the Leader of the Opposition dealt with appointments by orders in council. There was a series of five questions by the hon. Leader of the Opposition. They dealt with the appointment of ex-Liberal candidates, or their spouses, to a variety of positions within the Canadian judiciary, regulatory agencies and the Public Service of Canada. Those questions were allowed to proceed in the normal way. As reported at page 6577 of *Hansard*, the supplementary question by the hon. member for Lisgar was as follows:

> Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Undoubtedly, this morning's newspaper report also missed the roles of Liberal campaign managers, begmen, PR men and party hacks of various descriptions. My question to the Acting Prime Minister is simply whether it is government policy to create a partisan public service. If not, will he at the earliest opportunity be bringing under the Public Service Commission the bulk of order in council appointments to prevent this from happening?

The minister did not answer the question; he sat down. The next remark in *Hansard* is by you, sir, which reads as follows:

> Order, please. The hon. member for New Westminster.

Your Honour followed the customary practice. *Hansard* continues by showing the hon. member for Lisgar saying, "A supplementary, Mr. Speaker." Then Your Honour intervened by saying:

> By the most basic definition of supplementary questions, they must arise out of the response to the original question.

With respect, I say that if Your Honour reviews the words of the question put by the hon. member for Lisgar, you will see that two things occurred. The first was the hon. member saying, in the first place, "I have a supplementary question for the Acting Prime Minister," which indicates that that clearly followed as a question supplementary—at least, it could be so construed and in my respectful submission it ought to be so construed—to the question of the Leader of the Opposition. Then the hon. member said, "A supplementary". He was not allowed to stand, because the minister refused to answer. That is what happened on the floor of the House of Commons.

● (1520)

What concerns me is that if your ruling is allowed to stand generally as, "—they must arise out of the response to the original question", then it is open to ministers merely to sit and a line of supplementary questions leading from the main question of a member in the position of the hon. member for Lisgar is ended.

The alternative—and Your Honour obviously did not consider this, but I wish you would—is that it is open on the record to ask a supplementary not merely to the question raised by the hon. member for Lisgar but to the original series of questions. There is nothing to indicate otherwise; it simply reads, "A supplementary, Mr. Speaker", to the original series of questions put by the Leader of the Opposition. I know I cannot question the ruling of the Chair and the ruling has been made, but in the event the hon. member for Lisgar and, therefore, Her Majesty's Loyal Opposition and, therefore, this parliament, was stopped at that point from pursuing a line of questioning.

It is clear we must have some guidelines if we have arrived at the point—and I hope we have not arrived at it—where a minister, by sitting down and refusing to answer, can rule out any further supplementaries a member might have, especially when we are dealing with the broad subject matter of appointments to the public service, regulatory agencies and elsewhere, to which the line of questioning by the hon. member for Lisgar was clearly supplementary.

Mr. MacEachen: Mr. Speaker, on the question raised by the hon. member for Grenville-Carleton, I merely want to say very briefly that it is a well understood practice that a minister of the Crown has the option of answering or declining to answer. Ministers usually reply, but sometimes they do not. In this case I deliberately chose not to reply because I thought the question was intemperate and argumentative. The hon. member has another point, namely, the action of the Chair. I am merely re-establishing the point that in certain circumstances ministers may decline to answer, within the practice of the House.

Mr. Speaker: Order, please. I think I can probably reassure both hon. members. The judgment in a particular situation, of course, is always somewhat related to the circumstances. It has always been the practice of the House to permit to Her Majesty's Official Opposition the lead question in any question period, and to follow that with a supplementary questioner to the lead-off questioner for Her Majesty's Official Opposition. That combined questioning force usually lasts for five or six questions. Yesterday, the Leader of the Opposition exercised his option, which is extended to him on a number of occasions, to use up almost all of those questions, by the Chair permitting him some five consecutive questions. I believe the hon. member for Grenville-Carleton counted five questions by the Leader of the Opposition.

In coming to the point where the hon. member for Lisgar followed, there is always some effect on my handling of the decision by the actual circumstances then present. The hon. member for Lisgar was asking the sixth consecutive question on that subject. He asked a question which in its initial stages might have meant there had been the intention to create a partisan public service. He might have been considered to be argumentative or frivolous in that respect. It seems to me, however, that he corrected that and ended with a serious

question. In any case, the minister, as he said today, chose not to answer.

I hope I can reassure the hon. member for Grenville-Carleton. I said that when the hon. member for Lisgar sought a supplementary to a question which had not been answered—and I used the language of the original question—by the very basis of its definition, a supplementary question must be one which arises out of the response to the original question. I think the words that are causing the hon. member trouble are "original question". What "original" in that context was designed to convey was the question which the supplementary was following. In other words, if a supplementary question is to be permitted it must flow from the response to the question to which it is supplementary, not to the original question, as the case may be.

The hon. member for Grenville-Carleton seemed to be concerned that unless the question is supplementary to the first question asked by the Leader of the Opposition, it falls. That is not the case. The supplementary, if it is to stand, must flow from the response to the question which had previously been put by the same questioner or by another questioner. In the circumstances, if a minister exercises his legitimate option not to answer, I fail to see how the Chair can allow a supplementary question flowing from a response which does not exist. The response is not the response to the original question, but the response to the question in this context, to the original question put by the hon. member for Lisgar, not the hon. Leader of the Opposition.

It seems to me it does not follow that if a minister refuses to answer one question and thereby stops supplementary questions on that occasion, there is any prohibition against other members seeking the floor during the same question period and continuing to put related questions on the same subject to the same minister.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I realize the difficulty the Chair has, but this is a very confusing matter.

An hon. Member: Only you are confused.

Mr. Baker (Grenville-Carleton): It is a confusing matter and it is very important to the operation of the question period, even if the hon. member opposite does not understand that. Mr. Speaker, I take it from your statement that if the hon. member had said, "A supplementary question, Mr. Speaker, arising out of the questions put by the Leader of the Opposition," Your Honour's judgment might have been different, given the fact that there was no partisans or some other reason to put it down.

In other words, I am asking if it is now to be the rule of this House that an hon. member who is second in a series of questions on a particular subject can only have a supplementary question relating to his own original question, or is it still within the ambit of supplementary questions that a member, second in a series on the same subject matter, can ask a question supplementary to a question asked by the first questioner in the series.

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member seeks clarification. Surely the individual circumstances would govern. Perhaps if the hon. member for Lisgar had said yesterday, "I see the minister does not want to pursue that subject further. Therefore, I have a supplementary to another minister on the subject raised," that may have been permitted, in the circumstances. I do not think I can go any further than that.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO PROVIDE RIGHT OF APPEAL WHERE COMMISSION ERRS IN LAW

Mr. John M. Reid (Kenora-Rainy River) moved for leave to introduce Bill C-423, to amend the Electoral Boundaries Readjustment Act (appeals).

He said: Mr. Speaker, the purpose of this bill is to correct an apparent anomaly in the Electoral Boundaries Readjustment Act. My colleague, the hon. member for Thunder Bay (Mr. Penner), discovered that through an oversight there is no appeal to the Federal Court or the Supreme Court on matters of fact or law of decisions or procedures of the various electoral boundaries commissions appointed under the act. This bill would provide an appeal to the Federal Court, thus bringing this regulatory agency under the same rules as other regulatory agencies.

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

● (1530)

BUSINESS OF SUPPLY

DESIGNATION OF ALLOTTED DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to designate tomorrow as an allotted day. My understanding is that following tomorrow we will be discussing the motion in the name of the financial critic of the official opposition on the anti-inflation program. If the assigned days under the law are used, we would have a division on that on Monday next.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was in fact rising to ask the President of the Privy Council (Mr. MacEachen) if he would designate tomorrow as an allotted day. Now that he has done so, I wonder if I may indicate to the House that the motion for tomorrow will be put down by the New Democratic Party. It will be in the name of the hon. member for New Westminster (Mr. Leggatt) and it will read as follows:

That this House calls on the government to establish forthwith a royal commission on organized crime in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,779, 2,364, and 2,719.

[*Text*]

STATUS OF PROPOSED NEW OFFSHORE OIL AND GAS REGULATIONS

Question No. 1,779—**Mr. Leggatt:**

1. What is the status of the proposed new offshore oil and gas regulations published in May 1976?

2. Have the proposed regulations been referred to a standing committee of the House and, if not, is it the intention of the government to refer them?

3. Have the proposed regulations in any way been modified since they were announced in May 1976?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. On May 19, 1976, the Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development jointly announced that new legislation in the form of a Petroleum and Natural Gas Bill would be placed before Parliament and that new Canada Oil and Gas Land Regulations would be promulgated following passage of the new Bill. The new legislation and regulations are in the process of being drafted by officers of the Department of Justice, and it is anticipated that the legislation will be placed before Parliament during this Session.

2. The proposed regulations will not be promulgated until after passage of the proposed Petroleum and Natural Gas Bill and hence have not been referred to a standing committee of the House. It is anticipated that they will be referred to a standing committee of the House prior to promulgation.

3. Since the principal elements of the proposed new regulations were announced in May 1976 certain proposals for modifications have been made. Any changes will be announced when the proposed Petroleum and Natural Gas Bill is submitted to Parliament.

NATIONAL DEFENCE—PROPERTY AND PROVISION OF FACILITIES, EDMONTON, ALTA.

Question No. 2,364—**Mr. Lambert (Edmonton West):**

1. Have there been or are there now underway negotiations with the City of Edmonton for the ceding to the City of any or all of the National Defence property known as Prince of Wales Armories, or any of the land forming part of that complex and, if so (a) has any decision been reached and what is it (b) to what extent are there to be transfer of lands (c) what is the effective date of the transfer (d) does such a transfer of facilities mean a movement of militia training, and the offices, stores, etc. of any militia units in Edmonton and, if so, to what extent (e) would the training facilities be transferred to that portion of CFB Edmonton known as Griesbach Barracks and what portion thereof would be occupied by the militia (f) what is the agreed value of the property and buildings to be transferred and are there any conditions as to use applicable to such transfer?

2. (a) Is it under consideration or has it been decided that the training facilities known as HMCS Nonsuch at Ortona Barracks are to be moved and, if so, to where and what is to be the disposition of the land and buildings of Ortona Barracks (b) if the property is to be sold, what is the valuation of the land and buildings?

3. If the moves above are contemplated or have been decided upon, what consultation took place with local militia associations and/or the City of Edmonton?

4. Does the contemplated move of the Canadian Airborne Regiment from CFB Edmonton to CFB Rockcliffe and CFB Petawawa involve the movement to either CFB Uplands or to CFB Trenton of any component and transport aircraft and crews that relate to ground personnel from 435 Squadron to 436 Squadron CFB Trenton and, if so (a) how many aircraft and personnel are to be involved and what are the estimated dates for such a transfer (b) how many aircraft would such a move leave available to 435 Squadron for its transport role or is this role to be also modified?

Hon. Barney Danson (Minister of National Defence): 1. (a) and (b) Negotiations took place in 1970 and 1971 between the City of Edmonton and Department of National Defence concerning the possible transfer of a portion of the Prince of Wales Armories site to the City for development as an expressway. No decision was reached and there are no negotiations currently underway between the City and the Department of National Defence on this matter. However, a development plan for future use of Griesbach Barracks is presently under study which may affect this and other facilities. (c) to (f) Included. Not applicable.

2. (a) and (b) There are no plans to relocate HMCS Nonsuch.

3. The development plan for future use of Griesbach Barracks has been discussed with officials of the militia.

4. At the present time there are no plans to move aircraft or personnel from 435 Sqn Edmonton to 436 Sqn Trenton. (a) and (b) Not applicable.

CLOUD SEEDING

Question No. 2,719—**Mr. Laprise:**

1. During the fiscal year (a) 1973-74 (b) 1974-75 (c) 1975-76 (d) 1976-77 did the Meteorological Service conduct experiments on cloud seeding and, if so, in what location?

2. For the same years, did the Service sign contracts with or make grants to private industry or universities for experiments or research on weather modification through cloud seeding and, if so, in each case (a) with whom (b) for what amount (c) in what location was the research or experiment conducted?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. For the fiscal years: (a) 1973-74 No experiments conducted by AES; (b) 1974-75 No experiments conducted by AES; (c) 1975-76 Yes. A research experiment within a 200 mile area of Yellowknife, N.W.T. was conducted by the AES; (d) 1975-76 Yes. Further research experiments were conducted within a 200 mile area of Yellowknife, N.W.T.

2. Yes. (a) Four contracts with McGill University. (b) 1973-1974, $74,937; 1974-1975, $54,671; 1975-1976, $19,988; 1976-1977, $4,994. (c) N/A (laboratory research only).

[*English*]

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

GOVERNMENT ORDERS

[*English*]

CANADA LANDS SURVEYS ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT

The House resumed consideration of the motion of Mr. Lang (for Mr. Gillespie) that Bill C-4, to amend the Canada Lands Surveys Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, when the House rose for lunch at one o'clock today I was trying to indicate some of the feelings of my compatriots across the country with regard to the nomenclature of some of the Crown corporations and agencies, and I indicated that there was no sinister intention in calling the new bill the Canada Lands Surveys Act. In fact, this has been the name of the act since 1952, by amendment.

[*Translation*]

The title of this law is not new; since 1952, through an amendment, it has been changed to Canada Lands Surveys Act. My colleague from Bellechasse (Mr. Lambert) recalled the valuable services rendered by land surveyors who obtained their certificate through a period of apprenticeship while on the job. The great contribution of these men has been to complete the documents on surveying in Canada. My colleague from Timiskaming (Mr. Peters) was wondering if there had not been any violation of Indian territories by giving a favourable presumption to the Canada Lands Surveyor, that is, by allowing him, under the law, to pass through their territory to conduct his work. Indians have expressed very little resistance to this type of activity and I do not believe this new legislation will create any problems.

I would not want to extend the debate on this bill. Therefore, without minimizing its scope, I understand an agreement has been made among party leaders so that the three stages of the bill will take place in the House and consideration in committee could take place in committee of the whole. My colleagues might accept this arrangement and proceed to consideration of the bill in committee of the whole.

[*English*]

Mr. Paproski: It is so agreed, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Perhaps the House would allow me to read the questions to be raised on the adjournment motion.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Veterans Affairs—Deer Lodge Hospital—Request for report and negotiations with Manitoba for transfer; the hon. member for Grenville-Carleton (Mr. Baker)—Public Service—Request for investigation of dismissal of Jirvan Shah; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Transport—Rail service in Atlantic region—Extension of subsidy to all recommended passenger services.

GOVERNMENT ORDERS

[*English*]

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The Acting Speaker (Mr. Ethier): Hon. members have heard the proposal made by the hon. member for Labelle (Mr. Dupras). Is the House agreed that the bill be referred to committee of the whole rather than to the Standing Committee on National Resources and Public Works?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

Clauses 1 to 42 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. MacEachen (for the Minister of Energy, Mines and Resources) moved that the bill be concurred in.

Motion agreed to.

Mr. MacEachen (for the Minister of Energy, Mines and Resources) moved that the bill be read the third time and do pass.

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

* * *

● (1540)

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed, from Thursday, June 9, consideration of the motion of Mr. Marchand (for the Minister of Industry, Trade and Commerce) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass; and the amendment thereto of Mr. Hamilton (Qu'Appelle-Moose Mountain).

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, it really was not my intention to debate this very important bill, but since the government has not very much more legislation to bring in this afternoon I thought I would read a few documents into the record. Last Thursday, the Minister of State for Small Business (Mr. Marchand) said that we were not receiving any letters on metrication. However, we get quite a few letters from western Canada, as some hon. members opposite know. I have in my hand a letter addressed to the minister, which he has yet to answer. This letter is much the same as many other letters and it reads as follows:

Dear Sir:

Now that the metric conversion issue is once again in the forefront, and hopefully I will not be branded a "western redneck, or a crank", I would like to register my objections to the metric conversion in general, and as it affects western agriculture in particular.

I, as a lifetime farmer and rancher, find the conversion of acres to hectares, and miles to kilometers particularly objectionable. Anyone can readily see that it is absolutely impossible to rearrange and rebuild the surveyed road system which is tied directly to the "section of land" and vice versa. Even an "old farmer" like me could possibly accept, and in time understand a multiple of ten system in a very few areas, but to expect agriculture to pick up the tab, either directly or indirectly, for any of this conversion is just not right. Our input costs (due mainly to the manufactured products we need to run our farms as efficiently as possible) keep going up and up and we have no way to pass it on, but are controlled by world markets, unless these are manipulated via quotas, import or export restrictions and/or taxes, subsidies, etc. Over these we seem to have very little or no control. It is just not justice that we are expected (and quite often told) to get "more efficient", while the rest of the economy goes merrily along its way by simply adding any increased costs in input to the end product. However, I fail to see where "acres and miles" fit into this picture anywhere. There is not even any efficiency that can be involved here, but indeed the exact opposite.

From reading parts of *Hansard* on this matter I feel that most of the "feedback" the government side has obtained from western Canada has certainly been obtained from sources either non-agricultural or at least so far from the "grass roots" that the informants didn't know what grass is. We are sick and tired of just having things "crammed down our throats". In many, many cases it

emerges in western Canada as sort of a "Big Daddy in Ottawa knows best" and that we are not capable to run our own affairs.

That was from Mr. William O. Bills, and it was addressed to the Minister of State for Small Business. It was written back on February 11, 1977, and as yet it has not been answered by the minister. I have in my hand a letter to an editor. This letter pretty well tells it all. It is unfortunate that the minister is not in the chamber. Perhaps the House leader did not tell him that the metrication bill was going to be discussed this afternoon. Perhaps he will come in a little later. The editor's note is as follows:

This letter, written by Bill Veitch, is in reply to an editorial which appeared in the *Western Producer* Feb. 3, 1977. He shares it with us.

The letter is from R.R. 1, Wainwright, Alberta, and it is dated February 16, 1977. It reads as follows:

Dear Mr. Editor:

Your editorial in Feb. 3rd issue in which you wholeheartedly endorse metric conversion of the grain industry you also state that most farmers in the west also support your view. Well, Mr. Editor, practically all the farmers I have talked to in the Wainwright Vermilion, Irma and Edgerton area, wholeheartedly disagree with you. Until now most of us felt metric conversion was already the law of the land, and only now, when we recently heard that metric Bill C-23 was before parliament for second reading and was meeting opposition from members of parliament Alvin Hamilton, Don Mazankowski and Cliff McIsaac, to name a few—

That hon. member is from the government side, but I can add the hon. member for Pembina (Mr. Elzinga), the hon. member for Calgary North (Mr. Woolliams), the hon. member for St. John's West (Mr. Crosbie), the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), the hon. member for Churchill (Mr. Smith), the hon. member for Meadow Lake (Mr. Cadieu) and many others who have spoken on this bill, including the hon. member for Red Deer (Mr. Towers). The letter continues:

—did we realize there was still a chance to save us from this costly extravaganza.

Mr. Editor, I ask you, have you given any thought to the staggering sums of money metrification will cost the country, i.e., the retooling of factories, disruption to the building industry, and the obsolescence brought to the machine industry?

I would also point out to you that metrification will lend itself to many costly errors. You refer to $3.00 per bushel of wheat being equal to $77.81 per tonne, which I think should read $110.23 per tonne.

To make your editorial agree more with your line of thinking you also oversimplify metrification by stating the change will do away with inches, feet, yards, rods, furlongs, chains and miles, replacing them all with the metre.

As a former football player, I disagree with Jake Gaudaur, the commissioner of football. It is going to be difficult because instead of having yards on the football fields we will have so many metres. The field is going to be wider and longer and it is going to cause havoc with our great national sport, football.

Mrs. Campagnolo: In English rugby they managed to convert.

Mr. Paproski: The letter continues:

If you are going to refer to all the imperial measures why not include the milli, centi, deci, deca, hecto, and kilometres as well as metre? You also state cups, pints, quarts, gallons, pecks and bushels will all be replaced by the litre. Why did you not tell us how to judge good seed oats in metrics? We now know that good

seed oats might weigh 36 to 42 lbs. per bushel—if less we might be reluctant to buy. Of course we may all carry around a new litre pail and new metric scale (no matter what the cost) in our new brief case full of government metric propaganda (which we have already paid for, except for the interest) showing us how many kg/ha we should seed in our old drill which we should discard because we can't get bolts and nuts, chains, V belts and gears to fix.

Or we might measure our seed wheat in hectolitres—one hectolitre being 2.838 bushels—

This is like a good study in calculus back at school.

Mr. Lang: You can do it. It just takes a hecto-day.

Mr. Paproski: I continue:

—so should weigh approximately 170.28 lbs.

That is just about my weight.

● (1550)

We might have to import an Olympic weight lifter to fill our drill though as at $77.81 per tonne for wheat we certainly can't afford to buy a new drill fill and our old one is waiting for a new hydraulic hose and fitting that won't fit anyway.

You didn't tell us how simple it will be, Mr. Editor, to spray our crops with so many litres, grams and milligrams per hectare with our old pails of 64 or 80 or 128 ounce acid equivalent per gallon in our old sprayer tank with our new sprayer pump (again no matter what the cost), that pumps so many litres per minute. Now if we figure the above without error, we can field test to be sure. We will travel to the old half-mile fence with our old 45-foot sprayer, get out our calculator and our brief case and find to our amazement that one foot equals 0.3048 metre times 45 equals 13.716 metres divided by 1,000 equals .013716 kilometres, and also one mile equals 1.609 kilometres times one half equals 0.8045 kilometres. We now bounce the decimal three places to the right (× 1,000) and end up with 804.5 metres. Now 804.5 × 13.716 equals 11034.522 square metres which could be so many hectares on which we should use so many litres of fluid containing so many kilograms of concentrate.

I am sure this is old hat to the minister in charge of the Wheat Board. He has been educated in this program and knows what it is all about. I continue:

Please, Mr. Editor, would you help me out as I just lost my concentration? Oh! I forgot to tell you I still have my old pressure gauge on the sprayer—I was spraying at 45 pounds per square inch and travelling at 5 1/3 miles per hour with my old tractor. Anyway, I want to rush back and tell my wife, whose name I've changed to Zaza Zaza as she is now 91.44 × 66.04 × 96.52, to bring out dinner to the back 40—I mean 16.187778 ha's (40 plus 2.471).

Think, Mr. Editor, of the implications to the building industry. In a few years what will we replace 4-feet × 8-feet sheets of plywood, sheet metal for roofing on 2-feet centres and certain lengths of lumber to repair corrals or fences where we have installed pressure treated posts, maybe even in cement, that will last some 30 years.

A neighbour of mine recently made a trip to Denmark where they changed to metrics some 65 or so years ago. He says they have had and are still having many problems in the building industry.

I believe the government has done a great selling job on metrics, on down through the provincial governments, the grains industry and other organizations, with little or no input from the grass roots—the people who will pay the shot. The government tells us Canada will under metrification be more able to sell manufactured goods. I ask you, what will we export, shirts to Korea, or more reactors to Argentina? Like it or not, Canada does 60 per cent of our trade with the United States and until such time as they change—a change that is meeting ever increasing opposition from what I read and hear, I really can't see the staggering expense involved being justified. Is it so costly for our grains industry to continue converting large volumes of grain to metric tons at the terminals? I don't think so!

Is it, Mr. Editor, the right time to burden farmers with the added costs involved in the change—new scales, new tape measures, new tap and dye set, two separate supplies of bolts and nuts, hydraulic hose and fittings, fuel lines and brass fittings, V-belts, tool sets, drill sets, etc., etc? I really don't think so!

[Mr. Paproski.]

I would therefore like to advise all interested farmers to express their feelings on metrification now, by letter or phone, to their respective member of parliament.

Or the minister in charge of small business who is in charge of metric conversion. I continue:

I would also like at this time, Mr. Editor, to invite you to help me with my crop spraying this spring, as I must concede that I cannot learn the conversions in a few days, as you state in your editorial. The directions to my farm from Wainwright are 1.609 kilometres east, 12.872 north, 4.0225 east, 12.872 north, 4.0225 northwest, 2.4135 northeast, and 3.419125 kilometres north. Please disregard all the old crossroads but keep a close watch on your odometer in your new (no matter what the cost) 1977 car.

That letter says it all. For the benefit of the minister responsible for small business, I with to include in the record certain remarks. Speaking to the conference on the impact of metric conversion in North America, Mr. John Bulloch, president of the Canadian of Independent Business, said:

While the results of the metric conversion process may benefit Canada in the long-run, if we are not careful, the changeover process could do real harm to the small business community. The theme of my remarks is, "a milligram of prevention is worth a kilogram of cure."

It will be the responsibility of the Canadian Federation of Independent Business to maximize the benefits and minimize the harmful effects of the metric changeover on small business. Most small businessmen do not yet fully understand the implications of the problem involved in metrication.

It will be very difficult for the metric commission to fully involve the 650,000 members of the independent business community in the changeover process. It is true that many trade associations and other organizations are now, or will be, represented on the various metric sector committees and subcommittees. Unfortunately, these associations and organizations simply do not, and cannot, adequately represent small business. Larger firms can afford the time and money needed to be involved in trade associations or sector committee meetings. The small businessman, by definition, has to mind the store.

The federation is a non-partisan, political action organization of small and medium-size, Canadian-owned businesses from every corner of the country. Our membership has grown in only three and one-half years to over 21,000. We enjoy a growth rate of over 1,000 new members per month and are projecting a membership of 50,000 for early 1977. We now own our own head office building in Don Mills, Ontario, with facilities in Ottawa, Montreal and Vancouver. Our staff of over sixty operates in all ten provinces and in both languages. We consult privately and confront politically, if necessary, forces in government, business and labour in order to protect the interests of Canada's small business community.

We are naturally concerned that our approach to metric conversion is a responsible one in the interests of our constituency and the nation as a whole. We have been in touch with the American small business community and congressmen in connection with the reported opposition to the U.S. bill by labour and small business. As you know, the opposition was not against the bill as such, but against the fact that no amendments could be made to it. A new bill will be brought down to set up a metric commission to draft the conversion programme. It is now clear that large firms in the U.S. are going full speed ahead with metric conversion. There is no doubt that large firms, particularly multi-nationals who sell in world markets, will benefit from metrication Small firms rarely enjoy the benefits of international trade.

Our manufacturing complex is basically composed of branch plants. Domestic subsidiaries will, of necessity, convert to metric if the parent company converts. If metrication benefits foreing multi-nationals, Canadian branch plants will be in favour of it, regardless of the impact on Canadian-owned domestic businesses.

● (1600)

Because of the economic advantages enjoyed by large firms, metric conversion could hasten the current trend toward concentration of industry by a few large firms. It is difficult enough for Canadian-owned small business to avoid selling to foreign interests; we don't want to accelerate this process.

It could be that foreign firms which have had metric experience will have a head start on Canadian-owned small businesses which have not had metric

experience. It follows that the foreing-owned sector could increase its market share at the expense of Canadian-owned small business as part of the metrication process. For example, Canada already imports more than one half of its machinery and equipment. We don't want metrication just to create a larger market for machinery imports from other parts of the world, such as from Sweden and the European Common Market. Conversion could increase the costs of production and supply in Canada, placing Canadian-produced products at even a greater disadvantage in the Canadian market. One objective of the Federation is to get Canadian-owned small business through the metrication process without financial hardship so that Canada will not only import less of its machinery and products, but will, in fact, be increasingly world competitive and export oriented.

Let me say at this point that we are all agreed on the advantages of the S.I. system. It is easier to learn; it makes calculations easier; it provides a truly universal measurement system, and simplifies world trade. If all countries go S.I., Canada must go S.I.

The number of production components should be standardized and be reduced and there should be a reduction in the number of product sizes. Lower production costs and reduced inventory investments are potential, long-term benefits. It has been said that the entire automobile industry in the U.S., for example, could save $500 million if all fasteners (nuts, bolts etc.) were standardized and the number of sizes limited. Sad to say, the automobile industry also provides a classic case of a botched changeover. Ford, in the United Kingdom, manufactured metric parts in both Germany and Great Britain. When it came time to put them together on the assembly line, they did not match. Ford could absorb the mistake because of its size and market position. A small business would not get a second chance, and a miscalculation of this magnitude could mean instant ruin.

Let's be blunt. We simply do not know the implications of metric change-over for Canada and we certainly do not know all the ramifications of the change-over for the small business community. The Metric Commission has said that a loss of trade will result if metrication is introduced in Canada. While this may well be true, let's get the facts. The world will still want our wheat and non-renewable resources. Where is the concrete evidence concerning the loss of exports that might develop because products are not designed or manufactured in Canada in metric units? What sections of our manufacturing industry will be affected? How many small manufacturers will be affected?

Because of the complexity of metric conversion, no country in the world, including Canada, undertook a detailed cost-benefit analysis of metric conversion. In the short-run, conversion will have to contribute to cost-push inflation. Higher prices will come about for two reasons: real cost increases and attempts by some businesses to exploit metrication in order to raise prices more than necessary. Adverse consumer reaction and resistance in England has forced a reassessment of the planning and scheduling of the conversion process. The same thing could happen in Canada.

We tend to favour a co-ordinated national program in which no one is left behind. Large companies have the technical, financial and managerial resources for planning their own metric change-over and dealing with it over the long haul. Small businesses do not possess these resources and it is the responsibility of government to ensure that small businessmen, including self-employed craftsmen, are properly informed and their interests adequately understood and represented. Service and retail firms will have retraining problems with employees, including mechanics, television repairmen and a host of others. To avoid burdening the small businessman with retraining costs, the metric system will have to be incorporated in all vocational and on-the-job training programs and special forms of technical assistance or government support provided.

During the changeover, many businesses will have to carry dual inventories, both metric and standard, until consumers have fully accepted the S.I. system. An increase in inventory does not necessarily mean an increase in sales. Unless higher prices can be passed on to consumers, small firms will face a profit and financing squeeze. Consider hardware or building supply stores, stationery stores and other types of retailers who carry products that obviously involve metric change-over problems. A normal inventory of $100,000 might have to be increased to $125,000. How will the higher inventories be financed? The banks are often unable to provide adequate financing as it is, with small business inventories swollen by inflation. Metric conversion would make things worse.

Large firms do not have the same borrowing problems as small firms. In fact, branch plants in Canada, under the umbrella of their large foreign parent, will be at a decided advantage over Canadian independents in financing their conversion to metric.

We recommend that the federal government establish a program of grants and low-interest loans to small and medium-size businesses to assist in the financing of metric conversion. Such a program would be established by the Department of Industry, Trade and Commerce and would be administered by the new Federal Business Development Bank.

I do not suggest that it be established by the minister responsible for small business because I do not think he has enough money in his kitty.

In many cases, small firms have been dependent on the purchase of used machinery to minimize their capital investments. There will obviously not be as many S.I. used machines on the market, creating higher initial capital costs. Small firms must be warned against purchasing new or used equipment that will not be usable over the long-term. In the current business downturn, there may be opportunities to buy ends of lines or other equipment which would seem bargain-priced, although these could become useless under an S.I. change-over. Small businessmen must be warned of these dangers.

We are not yet certain which sectors of the business community will be most affected. Pharmaceutical and chemical industries are mostly metric. Makers and sellers of consumer oriented products such as packaged goods and clothing will be significantly affected. Those in manufacturing and electronics, as well as in engineering, architecture and building construction must be able to convert quickly and smoothly to avoid losing valuable sales and contracts. We do know that printers, photographers, book publishers and others in the graphics field will be concerned with machinery and paper-size problems which have not yet been fully resolved at the international level. Firms using lathes, punches, drills, presses, manufacturing equipment, tool and die equipment and scales will be particularly concerned in the change-over cost problem.

Small businessmen are extremely dependent on the ready availability of standard parts and supplies and could lose business if change-over is not orderly. Large firms can force dependent suppliers to convert to metric before they are ready to do so, and such problems must be avoided.

Legislation at the federal and provincial levels will require amendments to accommodate the new system of measurement. This process of amendment could result in a reduction of overlapping legislation at the federal and provincial levels. However, small business will have to be vigilant to ensure that the civil servants do not use metrication as an excuse to bring in omnibus bills with fundamental changes in legislation.

● (1610)

Many small retailers such as grocers and butchers use scales. Presumably, some method of changing existing scales will be created to avoid the cost of purchasing new scales. If this is not done precisely, an accidental shortchanging or miscalculation in weight could invoke government law. As you know, you can be convicted even if you didn't intend to break the law concerning food and drugs or certain other legislation governing retailing. The government must ensure that a violation of the law is not triggered by an accidental shortweighting or other errors resulting from metric conversion.

Metrication can also provide opportunities for the entrepreneur. The challenge of change will be met by enterprising Canadian businessmen who move quickly to take advantage of the need for new products created by metrication.

Once the change-over begins, the government will undoubtedly institute a "buy-metric" policy. If so, the government will have to ensure that small firms do not lose out where high change-over costs are involved. The purchasing power of the federal and provincial governments is potentially one of the major weapons available to assist the development of Canadian-owned companies.

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue only with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Paproski: Thank you, Mr. Speaker. I only have another page and a half here to put on record. I am sorry the minister

was not here earlier. He was the one who said we had not received letters from western Canada. One of the letters to which I referred was addressed to the minister, dated February 7, 1977, and apparently he has not yet received it. Maybe that is the fault of the Postmaster General (Mr. Blais).

Since the metric change-over is a federal policy initiative, we would think that the federal government would be responsible for the resulting problems and costs. However, the provinces may wish to be involved in assisting in the change-over process and the division of responsibility must be made clear. Small business must know where to go for information and financial assistance.

Governments and the business community are waiting for the federal government to establish and announce their metric conversion policies and programs. It is difficult to expect provincial governments and business to begin metric change-over planning so long as there has been no bill or joint resolution before parliament. We are concerned that parliament has never passed metrication-enabling legislation. This means that the Metric Commission, which is essentially an advisory body for one government department, is now in practice implementing a program for the entire nation before the policy decisions have been fully approved at the parliamentary level. While we commend the initiative of those who recognize that metrication requires a great deal of lead time and effort, we are concerned that decisions are being made by administrators before the legislators have done their homework. The work of the Commission should receive parliamentary examination and sanction or approval, immediately.

At the moment, metric conversion will take place on a "costs will lie where they fall" basis. Many small businessmen will find that the costs are prohibitive and will be unable to accept this approach. A mood of co-operation could turn to one of political confrontation if there is not a strong leadership initiative shown by those concerned in planning, scheduling and implementing the metric conversion program for Canada.

The joint resolution or bill which is to be introduced in parliament must contain a statement to the effect that appropriate means, financial and otherwise, will be found to help small business absorb the impact of metric change-over. Change-over dates are now being set. Committees are springing up all over the country. The metrication train has left the station. We must ensure that small business is on the train and that the cost of its ticket is not prohibitive.

Our members have approved the change-over to metrication, in principle. The Federation will attempt to be flexible in its approach. We will study metrication on a continuing basis to reflect the reaction of the small business community as the problems and costs become clarified. Pre-planning and involvement are necessary. A well defined, co-ordinated conversion program is essential. Financial and technical assistance must be provided to the small firms that will need it.

That is my contribution to this debate, Mr. Speaker. I should just like to add that the reaction we are getting to the government's "hard sell" approach in connection with metrication reminds me of what happened back in 1968 when bilingualism was such a beautiful thing in western Canada. They sent out a former minister by the name of Mr. Pelletier, I think it was, to sell the program to our people, instead of sending out someone like Jean-Luc Pépin, a man with some knowledge of selling. He would not have attempted such a "hard-sell" of a beautiful language like French. It was not needed. Similarly, the government is trying to shove this down our throats and, one day, it will regret what it is doing.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have not taken part in the debate up to this point—directly, that is—but I can assure Your Honour that, like other members of parliament, I have been deeply involved in seeking to interpret what the government is trying to do in its posthaste flight to metrication. It is an approach which has raised a great deal of controversy because the government has failed to consult with the people and give the grass roots farmer a chance to be heard on the subject.

At the outset, therefore, I want to say that I support the amendment which is before the House at this third reading stage to refer the bill back to committee. I do not think there is any better way of getting the purport of legislation across to the people when controversy has arisen. The hon. member for Edmonton Centre (Mr. Paproski), who preceded me in the debate, read a series of letters showing that substantial and thoughtful controversy has arisen because of the government's failure to relate to the people. Referring this bill back to committee would provide an opportunity to convey necessary information and allay the fears which are in the minds of the farming community. It would allow time for the completion of the educational process which was neglected in the initial stages of the debate.

I am sure members will agree with me that this is not the only controversial measure which has been brought forward by the government. There has been more controversy in the past ten years than in all the previous 16 years during which I have been a member of the House of Commons. I am just completing 26 years here and I think I have had to deal with more letters of complaint, more protests expressing the unhappiness of the Canadian people, particularly in western Canada, of course, because that covers the area I represent, in the past five years than in all my previous time as a member of the House. This is because the government is bureaucratic, even authoritarian in so many of its activities.

As a matter of fact, this tendency was well described in a book which was published some years ago under the title "Trudeaucracy". What this implies is initiative in government action, legislative or otherwise, which has no consideration for the impact of changes on people or institutions, of increased costs to the small business community and so on. It is significant that the Minister of State (Small Business) (Mr. Marchand) should be in charge of the legislation. He is aware there is great protest with regard to it in the small business community.

● (1620)

As desirable as the process of metrication may be in the long run, it is not going to be achieved overnight. The agricultural industry, which is of basic importance to the well-being of the western community, is based on the Torrens system of land survey and farmers will not allow this to pass without considerable protest. The government and the minister are looking for an opportunity to save face. The Minister of State for Small Business (Mr. Marchand), stood up in this House and said that they were going to delay the proclamation of this legislation even though it is going to be passed. That was a belated attempt to save face on the part of the government, arising from the strong waves of protest. Even so insensitive a group as the present government has begun to appreciate it.

While I have not taken part in the debate hitherto, I have heard excellent speeches which have brought the points home on all the previous stages of the discussion. However, I have

been involved in the debate at the local community level. Delegations of concerned farmers have come to me and expressed their concerns. I travelled with the official opposition agricultural committee when we interviewed the grain industry some weeks ago. I was amazed at the intensity of the feeling of disillusionment of the Canadian Grain Metric Conversion Commission. They felt they had been led down the garden path by the government as well. They lashed out at the opposition as being responsible for the delay. In the course of the discussions we had that particular afternoon, it was revealed that they were not even aware that legislation was necessary, and the government had delayed action on it until it was impossible to get it through by the effective target date which was originally put before the people of Canada, and particularly the farmers.

When we had our meetings with the western representatives of the farmers in the grain industry, it was evident that they also felt they had been led down the garden path too. They said that they had already expended some $300,000. I am referring to the Manitoba Pool in this instance, and the United Grain Growers. They have already expended some $300,000 in preparing for metrication of the agricultural industry. This was just a drop in the bucket compared to the costs they anticipated spending.

There are various hidden costs which have given rise to the concerns and protests as the people who will be affected by this program become aware of the difficulties arising from the lack of consultation, the lack of planning, and the lack of suitable preparation by the Liberal government. They were not even aware that there was a legislative requirement necessary. It seems the government was not aware that it would have to go through the legislative gambit before this part of the metrication program could be approved. It came up at the annual meeting of the Canadian Federation of Agriculture and precipitated such acrimonious debate that the whole matter was unresolved and was left in abeyance until further information was made available.

The most violent and strongest reaction has come from the farmers themselves. They feel this is change for the sake of change. They are not convinced it will do anything to improve the efficiency of the grain industry or expand the market. As a matter of fact the grain industry in western Canada is one of the most productive and efficient operations in the country today. If they had not been able to increase productivity by initiative and innovation, they would not have been able to survive in the cost-price squeeze market which has been generated by the half-baked disastrous economic policies of the government.

It is said that the farming community is against change. This can be easily refuted by the progressive action with respect to mechanization, innovation and new ideas in the whole agricultural industry, which has made it possible for farmers to survive, even though their costs have increased astronomically and the prices they receive for their products have been increasing at a much slower rate.

I will not read the many letters of protest I have received from farmers. This has been done by several spokesmen in this debate. The Minister of State for Small Business suggested there were no letters coming in. That has been well refuted by the previous speaker, the hon. member for Edmonton Centre (Mr. Paproski).

Mr. Marchand: We have received 50 or 60 letters in total.

Mr. Dinsdale: I hear the hon. minister admitting that he has received 50 or 60 letters in total.

Mr. Hnatyshyn: From Kamloops.

Mr. Dinsdale: Considering the problems of the Post Office, that is quite an interesting number of letters.

Mr. Hnatyshyn: How many have got lost in the mail?

Mr. Dinsdale: As we have been demonstrating from time to time in the House by specific experiments which have been conducted by various groups, including the members of the press gallery and the members of the city council of Toronto, not all the mail gets through which is placed in the trust of the Post Office.

With respect to the government's unseemly haste in implementing this legislation, I was amazed by the differences of opinion which arose between experts in the government of Manitoba and experts on the Wheat Board. The disagreement as to the terminology has been placed on the record by hon. members. It was a disagreement with the terminology which would be applied to the agricultural industry, if metrication were mutually acceptable.

The Manitoba government from the outset co-operated with the federal government in trying to meet the original deadline for implementing metrication. It was amazed to find that the Wheat Board, and particularly the commission under the Wheat Board with respect to metric conversion, had not decided specifically on the terminology that would be used in its application to the grain industry and in the lands survey system. The government finally made a belated response, and it was interesting that the information was conveyed by the Minister of State (Small Business) shortly after the transfer of allegiance of the Minister without Portfolio (Mr. Horner). It is obvious that at long last someone from western Canada managed to get the message through to the upper echelons of power in the Liberal cabinet.

• (1630)

If the government really wants to indicate that it has had a change of heart and recognizes what its new recruit has been saying, to the effect that this is violently opposed by western Canada, then it must go further than merely offering to delay implementation of the legislation. The legislation must go back to the drawing board. Farmers have to be given a chance to be heard if metrication is to be introduced smoothly, as it could have been had the government not run roughshod over the farming and small business community.

I have a final word of advice for the government, Mr. Speaker. If it had followed the policy adopted by the United States government with respect to metrication, it would have found it effective. There is an old saying, "It is not what you do, it is the way you do it." In a democracy you cannot proceed by coercion, authoritarianism, or the techniques all too frequently used in this Trudeaucracy. You must move by persuasion, by education, and without compulsion if you are to carry public opinion. The government must recognize this. It realizes now that it is in trouble and is trying to get out of the difficulty.

The approach of the government is almost like the sort of thing you find in what has been described as benign despotism or a benevolent dictatorship where the government knows better what is good for the people than do the people themselves. This has got it into difficulty in such matters as metrication. The Prime Minister (Mr. Trudeau) himself says that the system of government he feels most comfortable with is a benign despotism.

I urge the government to accept the amendment and return the legislation to the committee. The farmer realizes he has been misled, so does the grain industry, and the Metric commission. Even the Manitoba government feels it has been led down the garden path. We tried to give the government a way out, a face-saving device, by introducing an amendment which would provide a dual system for the phasing in period, but it was voted down. Again we tried in a positive, constructive way, to make it feasible for this legislation to proceed and to remove the growing protest in the farming community by introducing a three year transition period amendment which was proposed by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). That was also turned down, and so the government has missed the opportunity to provide ample time for an information and education program.

The government claims that it is going to delay implementation of the legislation. This is like an incubus hanging over the heads of farmers. Why does the government not start as it should have, by letting the farmers be heard and taking the bill back to committee? This is the democratic way to proceed. We must get away from this order in council, authoritarian, Trudeaucratic approach practised by the government.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to support the amendment which would refer Bill C-23 back to committee and thus give members and farmers an opportunity to express their views. I believe the answers given to the hon. member for Vegreville (Mr. Mazankowski) on May 3 as reported at pages 5226-5227 of *Hansard* are the most incredible statements that have been made in this House for some time.

What particularly bothers me is that when this bill was before the committee, representatives of the Canadian Federation of Agriculture appeared before it and, at the same time down the street, at the Chateau Laurier, a farm group was meeting. When this matter was brought up on the floor at that meeting it was such a hot issue that the chairman tabled it so that there would be no further discussion and they could get on with other business. In other words, a tremendous amount of resentment was shown by the farmers who said they did not agree in particular with the land measure. Representatives of the Metric Commission and the CFA were telling a committee of this House at that very moment that the vast majority of farmers agreed totally with metric conversion and asked us to get on with it.

The matter of land measure is the crux of the whole problem. I do not know why the minister and his advisers have not decided to allow it to go back to committee, or why they have not accepted the numerous suggestions put forward on this side of the House.

Replying to the hon. member for Vegreville on May 3 as reported at page 5227 of *Hansard*, the Minister of State (Small Business) (Mr. Marchand) said:

> Mr. Speaker, the exact mechanism has not yet been decided. I assure the hon. member opposite that I will be happy to receive suggestions from him on how he feels this matter ought to be dealt with.

We offered the suggestion that the matter be referred back to committee for further consideration of grains and land measure in particular. From the lack of response, obviously nothing is going to be done.

There are several variations of metric measure used in other countries. There is the French metric, the Japanese metric, the Australian metric, and the British metric. In Great Britain, after consultation with the European Economic Community, they have decided to retain miles, acres, pints, and also miles-per-hour on the roads.

● (1640)

The commission is telling members of parliament that everybody is in agreement with this, but yet we find that the metro Toronto transportation committee has turned back a budget item of $80,000 intended to convert municipal speed and bridge clearance signs to metric. When you go across the country and talk to people in any municipal area, you find that they are at a loss as to when the change will be made and who will pay for it.

Many countries have retained measurement terms that, if changed, would cause some confusion, but in Canada we have this pious, uninformed group of people in the Metric Commission, who are basically idea peddlers, who think they know best what is best for Canadians and who, by their actions, have misled parliament. That is a matter that clearly upsets me.

As a member of the committee dealing with metric conversion I have received numerous telephone calls from people in the Metric Commission. At one time a member of the commission berated me for daring to criticize some action of the commission. I have had at least 15 phone calls from people on the Canada Grains Council telling me that we were the ones who were holding up the legislation. They told me that we were going to cause the economic collapse of the grain industry in western Canada, that we were misinformed, that all the farmers in western Canada were wholeheartedly in support of this. Then we learned that, quite to the contrary, they were not. So the matter has not been thoroughly dealt with, and it

could have been thoroughly dealt with because in the months preceding the month of June we had ample time to study the whole matter. The government has in its hands the power to introduce legislation, and this matter was pulled in and out several times but was never dealt with in a straightforward fashion.

The Metric Commission is one of the many disaster areas in this government. They have a massive turnover of staff. The sector chairmen change rapidly. When you go out and talk to some of the people in industry who have been sector chairmen, you find that some of them have been in that position for one meeting only, that they got nowhere or could not stand the proceedings, and resigned, that then another sector chairman was appointed, and another one following him. There is little direction or co-ordination on the Metric Commission. The small business sector is not represented on the commission. The people who are heading the sector commissions are from big business, not from the medium size or small business sectors. The reason is that people in that area cannot afford in may cases to take time to become involved in the metric debate.

What we seem to have in the Metric Commission is a gang of innovative bureaucrats and idea peddlers who feel they are entitled to inflict on the people of this country their ideas which they believe are in our best interests, and for some reason this in Canada is known as democracy.

Take the example of how decisions are taken. There is, for example, an association called the North American Fastener Association. These people have got together and have decided, in their consideration of metric conversion, to use a 12 star bolt head as a standard. Now a 12 sided bolt head may be a great idea for the production line with special power tools, but in effect it means that those in the repair field, or the farmer, will have great difficulty salvaging a bolt and nut for use again. This is the sort of thing that is taking place. That matter has never been brought up before parliament or a committee of the House, and it is not mentioned in any of the metric reports. It is something that is being done by a small group of manufacturers which will have a dramatic effect on the conduct of the machinery business in north America.

We, as members of parliament, have no input into the Metric Commission. We can, along with the examination of the spending estimates of the Department of Industry, Trade and Commerce, see them on an annual basis, but that means a member of parliament would have to disregard all other items in the department's spending estimates and spend his ten, 15 or 20 minutes of questioning strictly on the matter of metric conversion. Given the structure of the committee system in parliament, it is a totally inadequate way to deal with this matter.

The arrogance of the Metric Commission is legendary. They have only produced three annual reports, and the last one was ten months late. We had Metric Commission officials before our caucus finance committee in 1974. Their representation to us was to put on the screen a map of Canada. They had the capital of Manitoba listed as Edmonton and the capital of Alberta listed as Winnipeg.

An hon. Member: Shame!

Mr. Kempling: Surely that illustrates the stupidity of the people who put that presentation together. When we pointed it out to them, they laughed; they thought it was a great joke. That shows the insensitivity of these people.

What the Metric Commission is doing, with the full agreement of the government, is to proceed with an incomplete program that is costing millions of dollars. The cost to date amounts to $19,823,477 which will be spent on the Metric Commission's activities from its inception to the end of 1978. I think the people of this country have a right to ask what they are getting for this money.

The members of the Metric Commission continue to display their arrogance by showing lack of information and by not meeting with the parliamentary committee. I have said many times in committee that there is no reason in the world why we cannot have an annual meeting with the Metric Commission, spread over two or three days if necessary, to review their progress. But they like to hide behind the estimates, and they have few people there to answer questions. They do not submit their reports to parliament on time, and they have done very little to co-ordinate the whole metric program.

We have asked time and time again that a bill be brought in to deal with the metric program in its entirety. As a matter of fact at one stage the minister of industry, trade and commerce of the day said that he did not know what to put in the bill if a bill were brought forward. He said he would be glad to receive suggestions from us. We sent him a letter giving him a whole list of suggestions on how to draft a bill dealing with metric conversion, but of course they were not accepted. The whole approach to this is wrong.

There is no doubt that metric conversion in time will be brought about, but there are different ways of handling it. In the United States, for instance, they are handling land measurements quite differently from us. In a letter which we have from their committee on science and technology this is what they say:

The matter of land measurements was specifically discussed in our committee hearings. Land measurement was frequently given as an example where there would be very little advantage to be gained from making the change-over and where the costs of doing so would be entirely out of proportion to any possible gains. It was also noted that in the State of Louisiana land measurements continue to be made in the old French measurements, a leftover from the days when France colonized that part of the continent. The same applies to Spanish land measurements in California. In neither of these cases has it been found advantageous to switch to the English system in the past, and there are not now any plans to switch those measurements or any land measurements elsewhere in the United States to metric measurements.

● (1650)

In regard to possible change-over to the Metric System by the Board of Trade in Chicago, and the possible effect on grain and other commodity trades, there are, to the best of my knowledge, no plans in existence at this time for a change-over. I have made inquiries with officers of the Board of Trade, and their position is that if any of the commodity trading organizations individually decide on their own to change to the Metric System, the Board would accept such a

change for that industry. However, the Board itself would not impose such a change on their members.

That is how the Americans are handling it. I have said that there are several variations to the metric measure in various countries in the world. Many countries have retained the terms of measure which would, if changed, cause confusion among the public. However, in Canada we seem to be pressing this matter with no apparent direction.

To my mind the Metric Commission has not fulfilled its mandate under the order in council dealing with powers and purposes. Specifically, the order in council instructs the Commission to initiate, co-ordinate and undertake investigations, surveys and studies relating to the metric system in different sectors of the Canadian economy. I charge that the Metric Commission, as established under Order in Council P.C. 1971-1146 dated June 10, 1971, has failed to carry out clause (A) of the section on powers and purposes. The evidence is before this House in the reply of the Minister of State (Small Business) as set out on pages 5226 and 5227 of *Hansard* for April 3 of this year. My charge is proved as well by the process of this bill. In spite of the strong suggestions from hon. members on this side of the House, the Metric Commission has misled the minister, the committee and this House. It has swept aside the arguments put forward in the committee and in this House regarding land measure, and swept aside the argument put forward by the Consumers Association of Canada regarding packaging and the listing of dual weights or measures on packages.

On the advice of the Commission the government voted down amendments which would have put some sense into Bill C-23. One of the very real dangers this country is facing is that we are being ruled more and more by regulation, boards, and commissions. By their very structure they are subverting the rule of parliament. The actions of the government in this bill are a true example of that subversion. There are nameless, faceless people who put in place regulations which have the force of statute. They have never been placed before the Parliament of Canada for debate. This country is really being run by a small group of people, in relation to the total population, who are not elected by the people. They have powers which are far beyond those of parliament. They have the power to change the market system, the economy of Canada and social life in Canada, and they interfere in the private lives of Canadians. They have the power to make regulations which have the force of statute, and they do not answer to the people of Canada through parliament. I think that is a terrible way to run a commission or this parliament.

I have talked to Canadians in the electrical industry and to some of their American counterparts. I asked the Americans how they were proceeding with their metric conversion and why they were taking the route they were taking. They told me that the only reason they are converting to metric is because we are doing so in Canada. The members of the Metric Commission travel across the country periodically speaking with industrial groups, and there are panels. The Commission loves to say that the cost of metric conversion will not be high. The commission implies that industry is going to absorb the cost because it is going to get great benefits from conversion. People in industry tell us that they are not going to absorb the cost and that the cost will be passed on to the consumer. The consumer is going to pay for metric conversion, and let there be no doubt about that.

I have talked to the small business community, and I know the minister has as well. He has not seen fit, however, to do very much in this bill for that community. It remains to be seen whether the Metric Commission is going to do anything for that community. However, small business is not included in the process of metric conversion at all.

I do not know how many ministers have dealt with this matter. Perhaps there have been three, four or five, but at various meetings the Commission has been told to get the small business community involved in this because some of the claims small business is making are not true. It is just that some small businessmen are misinformed. They should be involved in this process. All this is done on a "you pay your own expense" basis, and we think that some of these sector heads and chairmen should be drawn from the small business community, brought into the process, and asked to get involved in metric conversion.

In closing, I urge the minister to support this amendment. I think this matter should go back to the committee and be discussed thoroughly. We should have an opportunity, if necessary, to travel and to meet some farm groups because we are being told by the Canadian Grains Council and by a few other high-powered groups—and we learned from the *Globe and Mail* the other morning that many from these groups are government appointees—that they are going to toe the line wherever required. They are not necessarily going to convey the true thoughts of the people who are going to bear the costs of this and who are going to have to work with it. I think the committee should have the opportunity to hear witnesses again and to satisfy itself and the people involved about the difficulty which will be faced. Having done that, I think we could proceed with the bill in an orderly way. I support the amendment to refer this bill back to the committee for further consideration of the matters outlined in the amendment.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, just before the debate on this matter closes I want to join with the hon. member for Halton-Wentworth (Mr. Kempling) in urging that the government see the propriety of this amendment. This amendment is not meant to hold up the bill in any way; it would simply refer clauses 2, 6, 8 and 10 of Bill C-23 back to the committee. It would put some substance into the words of the Minister of Transport (Mr. Lang), the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of State (Small Business) (Mr. Marchand), and there would in fact be some real consultation with the producers of the country.

● (1700)

Consultation is most important. In several instances in the last six months—I will not go into detail although I can be specific, if the hon. member opposite wishes—the government

promised various organizations, groups and people interested in legislation this House passes, to engage in consultation. That consultation has not taken place. That is too bad, and is a style of politics I call un-Canadian.

I said, when raising a point of order in the course of this debate, that it is questionable parliamentary practice for the government to ask the House to pass a bill which it will not implement or use until such time as there has been "consultation"—I put that word in quotation marks. If the government wants to engage in meaningful consultation, let it change its approach. Let it allow such consultation to take place. Therefore I say, why not send this bill back to the appropriate committee, where these clauses can be studied? Such committee, predominantly but not exclusively made up of parliamentarians from western Canada, could go out in this country and listen to men and women who may feel this bill will affect them adversely. Really, that is the intent of the amendment, and it is not unreasonable to ask members on the government side to support it.

After that process of consultation has taken place and any changes proposed have been made to the bill, it should be brought back to this House, here to be dealt with. Surely that is not unreasonable. Knowing the attitude of westerners and how they view the actions of the government, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), seconded by the hon. member for Red Deer (Mr. Towers), proposed an amendment. In so doing they highlighted a matter of great concern to the producers of western Canada.

Is it too much to ask, in the last days of this parliament, that the standing committee of the House, the appropriate committee mentioned, should have a reference from the House for the purpose of undertaking the kind of consultation I mentioned? Is asking for such consultation asking too much? I do not think so. All of us, westerners included, can judge for ourselves to what extent consultation has taken place. On the one hand we hear much talk of consultation; on the other hand we see little evidence of it.

This bill will hang like the sword of Damocles over those who will be affected by it. Unless the bill is amended, producers could be adversely affected. People will say of the government, "No matter what you say, we know what you intend to do". And they will say it, mark my words.

This parliament stands for something, Mr. Speaker. It is a representative body. Though there is much good in the bureaucracy of the country, no body of people in this country is as representative of all our people, and as sensitive to their wishes, as the Parliament of Canada. And no committee of this House perhaps is as sensitive to the needs of western agriculture, and as aware of the justified and unjustified fears and apprehensions of those involved in agriculture, as the Standing Committee on Agriculture of this House. I therefore ask all members of the House to support the amendment, the purpose of which is to allow a standing committee of this House to engage in consultations which are so necessary. We must engage in those consultations if we are to reach some semblance of understanding between the various regions and areas of the country.

For the last ten years the confrontationist style of the government has plagued the country. Sometimes such a style is justified; more often it is not. Surely it is not justified in legislation of this kind. Surely we should not pass such legislation immediately, or should not pass it until people understand it. I hope the government will not proceed in this manner with regard to this serious bill, although past precedent might lead one to think that it will. If so, it shows that the government's attitude to this country is most unhealthy.

Mr. Paproski: They like to divide and conquer.

Mr. Baker (Grenville-Carleton): If the government were to adopt our suggestion and accept the amendment, it could reverse the growing trend of opinion in the country regarding the actions of the government. It can do this simply by agreeing to accept the amendment moved by the hon. member for Qu'Appelle-Moose Mountain and seconded by the hon. member for Red Deer.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on the amendment. Is it the pleasure of the House to adopt the amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

The House divided on the amendment (Mr. Hamilton (Qu'Appelle-Moose Mountain)) which was negatived on the following division:

● (1710)

(Division No. 50)

YEAS

Messrs.

Alexander	Balfour	Clark (Rocky Mountain)
Alkenbrack	Bawden	Clarke (Vancouver Quadra)
Andre (Calgary Centre)	Beatty	Coates
Baker (Grenville-Carleton)	Benjamin	Crosbie
Baldwin	Blackburn	Crouse
	Brisco	
	Cadieu	

Metric System

Messrs.

Darling	Knowles (Winnipeg North Centre)	Murta
Dick	Knowles (Norfolk-Haldimand)	Neil
Dinsdale	Lambert (Edmonton West)	O'Sullivan
Douglas (Nanaimo-Cowichan-The Islands)	La Salle	Paproski
Ellis	Lawrence	Patterson
Elzinga	Leggatt	Peters
Fairweather	MacDonald (Miss) (Kingston and the Islands)	Ritchie
Fraser	MacKay	Rodriguez
Gilbert	Macquarrie	Rynard
Gillies	Masniuk	Saltsman
Grafftey	Mazankowski	Scott
Halliday	McCleave	Skoreyko
Hamilton (Qu'Appelle-Moose Mountain)	McGrath	Smith (Churchill)
Hnatyshyn	McKenzie	Stanfield
Hogan	McKinley	Stevens
Holmes	McKinnon	Stewart (Marquette)
Huntington	Mitges	Wagner
Jarvis	Muir	Wenman
Jelinek	Munro (Esquimalt-Saanich)	Whiteway
Johnston		Whittaker
Kempling		Wise
		Woolliams
		Yewchuk—80.

NAYS

Messrs.

Abbott	Douglas (Bruce-Grey)	Loiselle (Saint-Henri)
Allard	Drury	Lumley
Andras (Port Arthur)	Dupras	MacDonald (Cardigan)
Andres (Lincoln)	Ethier	Macdonald (Rosedale)
Appolloni (Mrs.)	Faulkner	MacEachen
Baker (Gander-Twillingate)	Fleming	MacFarlane
Basford	Flynn	MacGuigan
Béchard	Fox	Maine
Bégin (Miss)	Francis	Marceau
Blais	Gauthier (Ottawa-Vanier)	Marchand
Blaker	Gendron	McIsaac
Blouin	Gillespie	McRae
Breau	Goodale	Milne
Bussières	Gray	Nicholson (Miss)
Caccia	Guay (St. Boniface)	O'Connell
Cafik	Guay (Lévis)	Parent
Campagnolo (Mrs.)	Guilbault	Pearsall
Caouette (Villeneuve)	Harquail	Penner
Caouette (Témiscamingue)	Herbert	Philbrook
Caron	Hopkins	Pinard
Chrétien	Isabelle	Portelance
Clermont	Kaplan	Poulin
Collenette	Lachance	Railton
Condon	Lajoie	Reid
Corbin	Lalonde	Robinson
Cullen	Landers	Rooney
Cyr	Lang	Sauvé (Mrs.)
Danson	Laniel	Sharp
Daudlin	Lapointe	Smith (Saint-Jean)
Dawson	Laprise	Stollery
De Bané	Leblanc (Laurier)	Tessier
Dionne (Kamouraska)	LeBlanc (Westmorland-Kent)	Trudel
Dionne (Northumberland-Miramichi)	Lee	Turner
	Lefebvre	Watson
	Loiselle (Chambly)	Wood
		Yanakis
		Young—105.

● (1750)

Mr. Speaker: I therefore declare the amendment lost.

The question therefore is on the motion of Mr. Marchand for the Minister of Industry, Trade and Commerce (Mr. Chrétien) that Bill C-23, to facilitate conversion to the metric system of measurement, be now read the third time and do pass.

[The Acting Speaker (Mr. Turner).]

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, there are a couple of matters that I would like to raise. Six o'clock is approaching, and I am now prepared to begin the debate, if necessary, but I wonder if the government House leader could indicate to us what business he plans for this evening and anything else he would like to say.

Mr. MacEachen: I intend to continue with third reading of the bill for the rest of the day, if necessary. If third reading is disposed of, then I will consult with my colleagues as to which of the bills we would take at eight o'clock.

* * *

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed consideration of the motion of Mr. Marchand (for the Minister of Industry, Trade and Commerce) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass.

Mr. Speaker: I take it that the sense of the House is to debate the bill on third reading. Perhaps we should call it six o'clock. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, there is no point in calling it six o'clock because I have a lot to say on this bill. It is two minutes to six.

Some hon. Members: Hear, hear!

Mr. Clark: Government members are all going out to join the hon. member for Crowfoot (Mr. Horner).

Some hon. Members: Where is Horner?

Mr. Mazankowski: Mr. Speaker, I rise to speak on this occasion with a great deal of disappointment because we thought we were dealing with the minister in good faith. He undertook in the House to consult the producers of this country about the application of this measure. He also indicated he would be prepared to consult the opposition parties and all members of the House to determine what might be the best mechanism for engaging in that consultative process. In the amendment on which we have just voted the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) put forth a logical and well reasoned suggestion which he thought the minister would be eager to accept, namely, to refer the bill back to committee for the purpose of allowing the formal consultative process to take place. We feel very strongly about the fact that if there is to be a thorough consultative process, it

should take place with the producers who are most seriously affected by this legislation.

May I call it six o'clock, Mr. Speaker?

Mr. Speaker: I hesitate to interrupt the hon. member who, I know, will continue with vigour at eight o'clock this evening but, for the moment, in accordance with Standing Order 40 and with our revised procedures for this month on additional hours of sitting, we will proceed to the adjournment debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—DEER LODGE HOSPITAL—REQUEST FOR REPORT ON NEGOTIATIONS WITH MANITOBA FOR TRANSFER

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, recently there have been confusing reports appearing in the Winnipeg press in regard to the Deer Lodge Veterans Hospital. These news stories concerning the possible transfer of Deer Lodge Hospital from the federal government to the province of Manitoba have only served further to confuse and worry the veterans and employees of that hospital. The confusing reports on Deer Lodge Hospital do not do anything to answer the serious concerns of the veterans, veterans organizations and the employees of Deer Lodge Hospital. I contend there are far too many serious concerns that have not been answered by the government in regard to the future of Deer Lodge Hospital while they have dragged on the negotiations.

● (1800)

From the veterans' point of view there are such serious matters as the quality of health care for veterans should the hospital be taken over by the province of Manitoba, whether veterans will receive priority at the hospital, and indeed, whether the same special care for veterans will remain. From the employees' point of view, there are such things as staff pensions, job security, wages and staff size.

I am speaking about Deer Lodge Hospital today to request that if the federal government and the province of Manitoba do reach an agreement on the Deer Lodge Hospital, under no circumstances should the agreement be signed right away. The agreement should be referred to the Standing Committee on Veterans Affairs so that all the concerns of the veterans and employees might be thoroughly looked into. I am sure that veterans' organizations such as the Royal Canadian Legion, the Army, Navy and Air Force veterans and others have concerns and suggestions to offer on the future of Deer Lodge. I am also sure that the employees' union at Deer Lodge have representations to make on behalf of the employees. The agreement should not be signed until a satisfactory arrangement has been worked out in the best interests of the veterans and employees of Deer Lodge Hospital.

I feel that referring the matter to the Standing Committee on Veterans Affairs would give veterans the opportunity to express their ideas and concerns on such matters as the quality of care after provincial governments have assumed control of veterans' hospitals.

On February 28 of this year the Minister of Veterans Affairs (Mr. MacDonald) said in this House in reference to the transfer of veterans' hospitals to the provinces:

> The ones we have transferred so far have been quite successful and we are reasonably pleased with the treatment the veterans are receiving. We get this reaction from the veterans' organizations and we also get it from the veterans themselves.

If that is the case, I wonder why, then, did every member of parliament receive a letter from the Veterans' Rights Association of British Columbia expressing serious concern over the former veterans' hospital in Victoria? For the record I should like to quote that letter. The letter, addressed to all members of parliament, reads:

> On behalf of our membership we would like to make you aware of the problems created for veterans on Vancouver Island through the operation and administration of the former veterans hospital in Victoria.
>
> We can assure you that, should the DVA facility in or near your region be transferred to a provincial or community authority, your veteran constituents will receive a lesser standard of care and a derogation of their rights under the veterans charter.
>
> Believe us when we say that assurances of and from the federal government are not worth a farthing.
>
> The takeover here has been handled by deceit and a complete lack of concern and comprehension, especially by the Minister of Veterans Affairs and his deputy minister.
>
> May we remind you that the sense of comradeship and duty, hardened in the furnace of war, has not left the veterans, even though they are thought to be a tiny minority and have lived on into an age when numbers and votes, pressure groups and self seekers, sensation and scandal drowns the small voice of those who served selflessly and faithfully.
>
> Accordingly, at a general meeting, this association passed the following resolutions which we would ask that you support:
>
> A. That the Government of Canada guarantee that the veterans treatment regulations be applied equally across Canada.
>
> B. That the Government of Canada reaffirm the veterans charter.
>
> C. That the province of British Columbia will administer treatment regulations as if they were so obliged by law.
>
> D. That Canada and British Columbia re-negotiate the transfer agreement entered into to give effect to the intent of the agreement, and
>
> E. That, inter alia, veterans have a greater, and not nominal, representation on DVA hospitals' boards of directors.

This letter was signed by F. C. P. Foy, Executive Director of the Veterans' Rights Association of B.C. That letter covers the types of things the veterans in the area served by Deer Lodge Hospital are worried about. These problems can be avoided by referring the whole matter to the Standing Committee on Veterans Affairs after an agreement has been negotiated. I believe the Royal Canadian Legion's Manitoba and northwestern Ontario command had the same concerns when it passed a

resolution in June of 1975 opposing the transfer of Deer Lodge Hospital to Manitoba.

In the same vein, Mr. Speaker, the Standing Committee on Veterans Affairs should look into the problems the employees will face if such a transfer takes place.

If, on the other hand, it is not possible for the federal government and Manitoba to reach an agreement through negotiation on the Deer Lodge Hospital, then I would urge the federal government to drop the matter and continue operating the Deer Lodge Hospital. As the Minister of Veterans Affairs said on May 27, 1976:

If it becomes evident, however, that it is not possible to negotiate the transfer of these hospitals on satisfactory terms, we will proceed with our plans for modernization.

I hope the minister and the government will respect the needs of the veterans and employees at Deer Lodge Hospital.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it would be better to say nothing in reply to the letter the hon. member read, since I think it cannot be taken as correct.

With regard to the question concerning discussions between my department and the province of Manitoba pertaining to the transfer of Deer Lodge Hospital in Winnipeg, I must reiterate that there are no negotiations, as such, regarding the transfer. There have been some discussions and the purpose of this dialogue is more or less to determine if the province is interested and if things can be worked out to the satisfaction of all concerned.

The policy of transferring veterans' hospitals to local authorities is, as you know, based on the determination that veterans should receive the best possible hospital care. I would not attempt to go into the programs of hospital modernization, research, geriatric programs and a variety of others that come under the authority of this critical branch of veterans affairs. But I can say that the treatment services branch of my department devotes the most scrupulous attention to the changing needs of our veteran population.

It is my own belief—and I am speaking for the minister, Mr. Speaker—that the biggest benefit for the entitlement of veterans with service incurred disabilities has been the transfer of these hospitals and their continuing association with universities across Canada. This availability of health services could not be assured to entitled veterans under our own limited institutional operations. Our hospitals are slowly becoming nursing homes.

In addition to the guaranteed priority access beds for the care of disability pensioners there is in every transfer provision for priority access, after transfer, to all chronic and domiciliary beds. Transfer arrangements also, however, provide for the integration of our services with those of the community. Because of that, the particular arrangements that we negotiate on transfer may vary from province to province, depending on the level and availability of services in each province.

[Mr. McKenzie.]

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary but must inform him that his allotted time has expired.

PUBLIC SERVICE—REQUEST FOR INVESTIGATION OF DISMISSAL OF JIRVAN SHAH

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on May 25, 1977, I raised in this House the case of Mr. Jirvan B. Shah, a public servant employed by the public service of Canada until he was dismissed. I asked the government to investigate his dismissal, with a view to having him reinstated. A number of public servants have brought their cases to me, sir, but not one of them has affected me as much as Mr. Shah's.

I want the House to understand that he is a professional engineer, trained at Queen's University, Canada and he joined the public service in October, 1965, as a metallurgical engineer. He has been employed in that same position, doing that same work, for 11 years. Finally he was declared incompetent. For the first seven years of his employment his performance was rated as average. In March, 1973, his supervisor, Mr. T. W. Heaslip, rated his performance as unsatisfactory. As a result of this evaluation he requested a review committee to investigate his case. That review committee was comprised of Mr. H. A. Fawcett, chief accident investigations division, MOT, Mr. S. Grossmith, a test pilot and engineer at MOT, S. McCormach, a staffing officer with MOT, and N. Bura, a staffing officer of the Public Service Commission.

This review committee made a thorough investigation and heard evidence given by Mr. Shah and Mr. Heaslip. It concluded that he was competent, recommended that he be provided with alternate employment and that his performance be reassessed in six months. Part of that recommendation was implemented. Mr. Shah was employed in the Department of Energy, Mines and Resources, under the supervision of Dr. Eric Smith who, after a six month period, said Mr. Shah did his work adequately. It is important to remember that between 1965 and 1972 his position carried the title of metallurgical engineer.

● (1810)

From 1973 on, as a consequence of reorganization in the division, the title of the position was changed to material failure analyst without any change in the duties and responsibilities of the position. The job description has remained the same since 1965.

After that ten-month period in 1974, he returned to the Ministry of Transport and the same position. He received a very unsatisfactory appraisal for a four-month period by a new supervisor, Mr. McLeod, who only supervised him from April to July, 1973. In 1975 he received his last appraisal, which was unsatisfactory, by Mr. Logan who is classified as a technical inspector in aircraft mechanics/maintenance. This appraisal covered a nine-month period.

On May 27, 1976, the Ministry of Transport wrote to the Public Service Commission recommending his release on the grounds of incompetence, pursuant to section 31 of the Public Service Employment Act. After 11 years on the same job he was labelled incompetent. That smacks of something wrong.

There was an appeal to the Public Service Commission appeal board. The appeal board chairman, Ms. Brazier, stated that the recommendation should be upheld. At the hearing, the Ministry of Transport relied on the three unsatisfactory appraisals and three lab reports written by Mr. Shah. His legal representative called five witnesses who all declared that he was competent. They were professional witnesses. However, the appeal board did not give much weight to that evidence.

He appealed ultimately to the Federal Court of Canada. However, he found he could not deal with that court because the Federal Court of Canada had no jurisdiction.

After 11 years service in the public service of Canada, he finds himself living on unemployment insurance. What does he ask of this House and this ministry? He asks for his immediate reinstatement. Failing that, he asks that he be placed in some other employment.

Very few people in the public service are dealt with in the way this man was dealt with. Most of all, he asks on behalf of public servants everywhere that there be some access for the public service for redress in another forum so that a man in that position can at least have redress through the courts. We do not have that now in the public service of Canada.

Mr. Shah told me that he has been discriminated against. His nameplate was removed from his office door and affixed to the washroom door. A poster was made of his likeness with the words "Wanted—dead or alive, preferably dead" and displayed on the bulletin board. He was forbidden to use the telephone. He could not make or receive calls.

Mr. Shah was required to submit to a psychiatric examination. They found no problem. He was cursed and sworn at by his superiors. He was denied the same training opportunities as others. He was not allowed to attend a Christmas party. I do not know whether that had anything to do with the fact that Mr. Shah is not white, but Mr. Shah could be forgiven if he was led to believe that some of the things he told me occurred to him happened for that reason. Mr. Shah went to the anti-discrimination appeal board. They held that, although he was harassed, he was not discriminated against. You tell me the difference, Mr. Speaker.

That is why I raised this question in the House of Commons. I raise it again today so that this man who gave 11 years of faithful service to the public service in this country, trained in a Canadian university, can have himself reinstated somewhere in the public service rather than be forced to go out and do menial work, which is the future that faces him if there is no redress from this House and this government.

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, here is the information that we have gathered for the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Shah, a failures analyst in the air administration of the Department of Transport, had a long history of unacceptable performance, notably in the planning, organizing and analyzing aspects of his job. Because they formed such an important part of the job of failures analyst and since training and counselling had failed to bring about any improvement, it was decided to recommend his release for incompetence.

Mr. Shah's case was examined by a departmental review committee. The decision to terminate his employment was not disputed. The review committee, composed of public servants of considerable ability, recommended that alternate acceptable employment be sought.

Next, Mr. Shah appealed the decision. Following a two-day, 13-hour hearing, the appeal was dismissed. The case was then referred to the Federal Court of Appeal which ruled that the decision of the appeal board was valid.

Mr. Shah then complained to the anti-discrimination branch of the Public Service Commission and an investigation was conducted. It was concluded that discrimination was not a factor in his release.

Sincere efforts have been made both by the Department of Transport and the Public Service Commission to find alternative employment for Mr. Shah but without success.

Mr. Shah did not receive any severance pay upon his release as his collective agreement gives the employer no discretion in this regard. His superannuation contributions are "locked in" until age 65 under the provisions of the superannuation act. It would require an amendment to the act to release these funds.

While we can understand the difficult circumstances in which Mr. Shah finds himself, the Department of Transport and the Public Service Commission are satisfied that he was treated fairly and that he was given ample opportunity to have all the facts of his case reviewed.

TRANSPORT—RAIL SERVICE IN ATLANTIC REGION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my intervention this evening arises from questions which I put to the Minister of Transport (Mr. Lang) at the end of May after he had released a study paper backing up the transportation agreement entered into between the premiers of the Atlantic region and himself on February 8.

First, I want to point out that the minister's answer to my first question completely ignored the fact that under this proposal, agreed to by the maritime premiers, the whole of Cape Breton Island, including the heavily populated industrial area of Sydney as well as the rest of eastern Nova Scotia, would, if he and the premiers who signed the agreement, including the Premier of Nova Scotia, had their way, be denied direct access to his one proposed transcontinental train which would go from Montreal to Halifax. The minister's proposal would mean the loss of nine railway services over five different routes in exchange for $125 million to the Atlantic provinces over a three-year period, $100 million of which would be put into highways.

I can understand the ignorance of the Minister of Transport concerning the geographic and population characteristics of the area, but that the Premier of Nova Scotia should agree, in exchange for what amounts to a mess of potage, that the Cape Breton area should be directly cut off from the one proposed transcontinental route agreed on is, to my mind, incredible. Indeed, it is preposterous.

My question implied that the minister in releasing the documents, principally the study paper which had been prepared by the governments jointly under the auspices of the joint transportation committee, was prejudging the hearings of the transport committee on passenger transportation then taking place in various maritime locations.

It was the timing of this release which led me and many others to the conclusion that the minister was either prejudging the issue or was holding a gun to the heads of the commissioners who were conducting the hearings. Intentionally or otherwise, the minister cast grave doubts on the legitimacy of those hearings and accused the whole commission process of being mere window dressing for a government policy which had already been decided upon.

By emphasizing in the study paper that the federal government was prepared to contribute a subsidy amounting to 100 per cent if there was only one transcontinental train running from Halifax to the Montreal area rather than contribute the 80 per cent it does now, the minister appeared to me and to many others to be imposing his wishes on the commissioners' conclusions. To say the least, it appeared to be an unwarranted intervention at a crucial time in the hearings and in the regulatory process which was going on in the maritimes to determine the future of passenger rail service.

● (1820)

In answering my question, the minister referred to the very extensive $125 million transportation package for the Atlantic provinces "as evidence of our intention to use money more effectively for the Atlantic provinces". Well, there are a lot of people in the Atlantic provinces who do not agree that a $125 million transportation package over three years for the whole of the maritime provinces is a very extensive one. In fact, the Nova Scotia highways minister was quoted in the *Chronicle-Herald* for Thursday, June 2 as saying that the proposal which the Minister of Transport (Mr. Lang) put before the Canadian Transport Commissioners does not resemble the plan put before the minister by the provinces at meetings earlier this year.

The Minister of Transport, of course, is concerned with defraying rail passenger expenses across the nation by $112 million and sees the solution as cutting out rail passenger transportation. Since we are in an energy-intensive era, it strikes one as being ironic that the minister is not more concerned at having to pay the $250 million annual deficits on the operation of airports such as Mirabel. I would think that due consideration to the type of energy crunch facing this nation in the next decade should make us emphasize energy resource conservation, particularly in transportation facilities, both public and private. Given the dependence of Nova Scotia on imported oil, this is more true for it than all of the rest of the provinces except Prince Edward Island.

As regards my supplementary question in which I noted that, in the *quid pro quo* of $125 million over a three-year period for less railway passenger transportation in the Atlantic region, there is no mention made of improving equipment and facilities such as passenger trains, locomotives, railbeds and so on, I suggested, under my understanding of the agreement, that the Atlantic provinces, especially the two which depend upon railroads—Nova Scotia and New Brunswick—would be retaining in the railroad passenger industry the technology of the 1940s and 1950s, while other provinces across the country are opting for increased, more efficient rail passenger transit systems.

In answering me, the minister seemed to agree with this assessment, although he made the general statement "We believe that the upgrading of passenger services is essential", and related it to the change in the subsidy under his proposal. But this does not constitute any commitment to the modernization of equipment, railbeds, trackage, etc. that is needed.

It is obvious that the minister is determined to cut back on railway passenger transportation in the maritime provinces. I say "maritimes" because Newfoundland no longer has a railway system and Prince Edward Island does not have one either. I read the Canadian National submission to the Canadian Transport Commission at a hearing in Halifax on May 17, 1977. Mr. Garth Campbell, the Canadian National vice-president of passenger marketing, said in that submission, and I quote:

It would be a mistake to expect rail services to continue simply by halving or quartering what is offered.

Mr. Campbell seems to agree with my contention as against the minister's, because in the Canadian National brief he emphasizes that if governments decide to emphasize highway and air services, railway systems will receive limited capital or none at all. He noted that the existing passenger cars in the maritime regions are 25 years old and one car used at Halifax is 40 years old.

In his memorandum of May 25, the Minister of Transport has a table on page 3 showing annual passengers by volume and percentage, using the four modes of transportation—rail, bus, air and auto. In incorporating this table to make his case look stronger, the Minister of Transport failed to use statistics that would show, as Mr. Campbell noted in the CNR brief, that traffic has begun to pick up again, as far as passenger trains are concerned, in the last two years after a period of steady decline since 1971.

In a brief to the Canadian Transport Commission in Sydney on May 27, I made some suggestions on how improvements in railroad transportation in the long run could indeed help the Sydney steel plant, the Pictou county Trenton Car Works and, indirectly, the port of Halifax; but I do not have the time here to repeat my arguments.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I welcome the opportunity to set down on the record of the House events leading up to the release of the Atlantic region intermodal passenger study and details of the relationship of this particular study to the hearings just completed in the maritimes by the railway transport committee of the CTC. At the outset, let me emphasize that the study was not an attempt to carry out those review functions which are properly delegated to the CTC, but rather the objective was to do a study encompassing all public modes of passenger transportation.

The focus of the work was on public modes of interurban passenger transportation—for example, the rail, air and bus modes—and had the following objectives: to consolidate the existing information on interurban passenger transportation in the Atlantic region to provide a data base; and to examine a range of broad approaches for improving the level of service of interurban passenger transport in order to identify the relative financial and energy implications associated with these approaches.

In summary, the Atlantic region intermodal passenger study is a consultant's report which provides a framework for considering alternate concepts for transportation services and facilities. It does not address all the options across the spectrum in any one mode and represents, therefore, just one set of alternatives for the upgrading of passenger transportation in the region.

In conclusion, let me assure the hon. member that the federal government is awaiting the outcome of the CTC's route and service hearings in the Atlantic provinces. Following their recommendation then and only then will the government be able to make a complete and informed decision on the best rail passenger service for eastern Canada.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Turner): I do now leave the chair until eight o'clock tonight.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed consideration of the motion of Mr. Marchand (for the Minister of Industry, Trade and Commerce) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass.

The Acting Speaker (Mr. Turner): Order, please. At six o'clock the hon. member for Vegreville (Mr. Mazankowski) had the floor.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, prior to the dinner hour I said that I wished to speak again on this bill. I commenced my remarks by saying that I was extremely disappointed by the fact that the minister and his colleagues failed to respond to the proposal we had advanced in the form of an amendment. I felt that the minister's statement in the House on May 3, as recorded at pages 5226 and 5227 of *Hansard*, was sincere and genuine. He indicated that there would be further consultations with the grain industry and especially with the farmers. He said that the exact mechanism had not yet been decided upon but that he would be happy to hear and indeed would welcome suggestions from me or from any other member on this side of the House with regard to the most effective mechanism. I think that we on this side responded in a responsible, sensible and honourable fashion by making a very practical proposal. Unfortunately, it was rejected.

Neither the minister nor his colleagues have spoken on the amendment either directly of indirectly. There have not even been informal conversations or consultations. There has not been one speech from the government side of the House to indicate whether there was any glimmer of support for what we were attempting to achieve. The government has been both coy and contemptuous on this issue. They sat there and intimidated us by suggesting that we bring on the vote. I am indeed saddened by the fact that we can only conclude, judging from this scenario, that the minister was not sincere when he replied to me in the House on May 3. It is a sad day in the House when the words of a minister spoken in the House either during the question period or in a speech cannot be taken seriously by other members of the House or indeed by the public of Canada. What is more, we have not been given the slightest hint as to what kind of consultative process the government is considering. I do not know whether in fact some sort of mechanism has been formalized. I am not sure whether there will be any consultation, hence we feel that the minister has betrayed us and has not lived up to his promise. I suppose he may organize officials of the Metric Commission to meet with groups of farmers, but that will not be consultation. That will be nothing more than bureaucratic coercion. The experts will attempt to browbeat farmers into believing that the metric

system as it would apply to the grain trade is the best thing since sliced bread.

● (2010)

What is more revealing about this whole debate is the behaviour of the Minister without Portfolio (Mr. Horner) from Crowfoot. Where does he stand in this whole scenario? Hon. members may recall that he was supposed to take the metric system from the backs of the farmers when he joined the Liberal ranks. I think it is fair to point out that he has not made a speech in the House of Commons on this bill. He made a little noise in the committee—

Mr. McKinley: He is muzzled now.

Mr. Mazankowski: —but as my hon. colleague suggests, he is muzzled now. Where is he today? What is he doing about the progress which this government wants to make with this particular bill, without making any commitments or any changes? The Minister without Portfolio chooses to remain silent. We can only conclude that he does not have enough influence on the government to convince it to withdraw the bill, or to accept our amendment, or to let the bill die. Now that the government has the minister under control, it seems to take great satisfaction in the fact that the bill has been introduced and reintroduced. The government seems to be playing with the minister like a yo-yo. Last Thursday he was in the chamber. He listened, but he dared not participate in the debate. One can only wonder why he is so silent now and why he does not have the influence which we heard so much about when he crossed the floor to join the Liberal ranks. One has to wonder why he does not speak now; as we all know, it is not usual for the Minister without Portfolio to remain silent on an issue which affects western Canadians.

Mr. Andre: On any issue.

Mr. Mazankowski: Or any issue, for that matter. I am disappointed in the minister from Crowfoot because he has failed to deliver a promise to western Canadian producers. He has let western Canada down, and I am disappointed on his behalf that the government has pulled the rug from under him. I am sure this must cause him considerable embarrassment.

The government has run out of legislative items on the order paper, and so it has been trying to deal with the bits and pieces of legislation which remain. However, it is quite obvious now that the government is hell-bent on proceeding with this bill in spite of the widespread protest and the growing opposition across the country. I said in an earlier speech that this legislation is more like metric coercion than metric conversion, and as it passes and becomes effective in the grain industry and in other industries farmers will probably refer to it as "metric confusion". The fact of the matter is that conversion in the grain trade is totally unnecessary. It is expensive, and it is going to cause a great deal of inconvenience to the producers of western Canada.

What is very troublesome and what bothers me very deeply is the fact that we have here another example of the wishes of the majority being ignored. Quite frankly, I am disappointed and saddened by that fact. I believe this measure is contrary to the best interests of our parliamentary democracy. I believe it is contrary to preserving and building a trust and a confidence in our system of parliamentary democracy. There can be absolutely no question that conversion in the grain trade as it would affect producers is clearly vigorously opposed.

I say this in spite of what farm organizations have said in the committee and publicly. I pointed out in my speech last week that one farm organization decided to canvass its membership some time in March 1977. The bill was to become law on February 1, 1977, and I think that simply illustrates the fact that farm organizations did not consult the producers they represent. They took it for granted.

It is no wonder, when we have an issue as important and as vital as this, that interest would be generated. Many comparisons and many observations have been made about the impact of metric conversion as it would apply to western Canada. Many have said that the system we now have is an inherent part of our western culture and that this change will be very disruptive to the land measurement system and to our way of life. It is no wonder, when a piece of legislation is thrust upon a very large segment of the population of Canada, that our parliamentary institutions come under attack. Many people say, "Well, so what; those guys sitting in Ottawa simply do what they want to do; they will not listen to anybody". That is what has happened with regard to metric conversion. Many producers across this country have resigned themselves to the fact that metric is coming, that it is *a fait accompli*, that there is nothing they can do about it and that they will have to grin and bear it.

At the very outset we on this side of the House took the position that the conversion process should be undertaken through legislation. I remind hon. members that this is one of the first pieces of legislation which has ever been proposed in the House to effect metric conversion, as the hon. member for Winnipeg South Centre (Mr. McKenzie) stated. Our position was clearly a responsible one, and if we are going to have a very major change thrust upon us, it should be in the form of legislation and not done by order in council.

Some hon. Members: Hear, hear!

Mr. Mazankowski: It is no wonder that there is widespread cynicism about parliament, about members of parliament and about our institutions.

Mr. Paproski: Particularly about this government.

Mr. Mazankowski: Much of this cynicism flows from the attitude of this government, from the way it carries on in its arrogant fashion and from the way it conducts the business of this nation. No wonder there is mistrust about how we do things here and about what we do here. It is no wonder that there is suspicion. We can ill afford that at this time. Parliamentary freedom is something we should treasure, preserve and fight for with all our might.

There is no question that there is a growing lack of confidence in this institution. There was a billboard sign in the recent Ontario election which used the expression "Don't vote, you might encourage them". I think that demonstrates the mood of many Canadians about our parliamentary institution. There is growing dissatisfaction with the manner in which we handle our legislative process and with the way this institution conducts its business.

In that connection I would like to quote from a letter to one of our farm newspapers. The letter comments on the manner in which the metric system is being proceeded with. It is entitled "Who are we to have a say?"

● (2020)

Sir:

It is most difficult to understand the logic of individuals such as some of this paper's recent correspondents. I am referring to those who are encouraging their fellow Canadians to take issue with the "imposition without our consent, of the metric system." I find it most shocking to observe the great number who take this stand.

I say, who are we to actually dare to raise our uneducated and ungrateful voices and blatantly dispute the decisions of our Ottawa bureaucrats?

So what if we as citizens and taxpayers didn't get asked if we wanted our present system of weights and measures tossed in the garbage? Who are we, to have a say?

So what if the changeover will cost us millions of dollars and plenty of confusion? Just because we cannot fathom the undoubtedly sound reasoning of scrapping the imperial system, which has served us so well; does that mean it is not being done in our best interests?

Oh we of little faith. Let not our questioning minds consider rebellion, but rather let us take comfort in the knowledge that our loyal representatives in Ottawa would never dream of ramming anything down our throats that wasn't just what we really needed all the time. Well, would they?

It is signed Dan Riley, of Strathclair, Manitoba. That letter sums up the feelings of western Canadians on this legislation and how it has been introduced and proceeded with. But we must be concerned about other areas of jurisdiction affecting this institution. Not long ago the Auditor General warned us that the government, indeed parliament, has lost control of the public purse, that spending is out of control, that financial management and control systems are below acceptable standards of quality and effectiveness and that our Crown corporations are not being run in a businesslike way. There is evidence to show that financial control mechanisms are weak, ineffective and even inadequate. I ask, when did all this happen? It happened under successive Liberal regimes, under Liberal governments which rule with arrogance rather than with concern, which rule with disregard for our people rather than with consideration. Most of the time the government simply wants to grind out legislation as if it were sausage produced in a sausage factory. It heaps on us reams and reams of unnecessary legislation.

Mr. McKenzie: It's rotten sausage.

Mr. Mazankowski: It is rotten sausage. It is unnecessary legislation and unnecessary regulations heaped on the backs of Canadians. This bill is another example. Is it not time to restore sanity and commonsense to this institution, and to restore confidence in it as well? We have a great deal of legislation on this country's statute books.

Mr. McKenzie: Pardon me. I should have said it is baloney, not sausage.

Mr. Mazankowski: We bring in ever more legislation every day. I am told the competition bill will conflict with almost all legislation on our statute books. We need some sort of clearing agency which will vet legislation before this House considers it, so that no bill the government introduces will interfere or conflict with or contradict existing legislation. I talked with a representative of one of the major oil companies who appeared the other day before one of our standing committees. He reminded me that there are some 375 pieces of legislation affecting the oil industry of this country directly or indirectly. And that does not include all the regulations and orders in council various levels of government impose on the industry. Most of them are passed in the middle of the night, so to speak, and we never hear about them.

Is it any wonder that we have an energy crisis in this country, considering that those engaged in energy production are frustrated on every hand by the proliferation of legislation and regulations passed by all levels of government in all parts of the country? Our energy producers are frustrated especially by the inconsistencies of various pieces of legislation which work at cross purposes to one another. Mr. Speaker, the farmers do not want this legislation, because they do not need it. This should be clear to any western member of parliament who has the guts to send out a questionnaire or survey on this bill.

Mr. Woolliams: Including Jack Horner.

Mr. Mazankowski: Western members should do this if they are concerned about the feelings of their constituents—farmers as well as city dwellers, doctors, lawyers, professors and so on. I sent out a questionnaire couched in simple language. My first question was this: Are you in favour of conversion to the metric system? Of those who replied, 29.1 per cent said yes, 65.5 per cent no, and 5.4 per cent had no opinion.

Question No. 2 asked: Are you in favour of converting (a) acres to hectares? Seventeen per cent said yes, 74.3 per cent said no, and 8.7 per cent had no opinion. The second part, (b), had to do with conversion of bushels to tonnes. Here are the replies: Yes, 21.7 per cent; no, 69.2 per cent; no opinion, 9.1 per cent. I point out that not only farmers responded to the questionnaire; answers were provided by a cross section of people in the constituency. Surely, if we are worth our salt, it is our duty, our obligation, to place the views of our constituents on the record of this House.

In this connection I wish to quote a letter printed in *Farm Trends* of April, 1977, on page 10, entitled "Metric Confusion". It says:

For over two years now, I have tried to create a public awareness of the implications of metric conversion, especially as it applies to agriculture. Farmers will be affected by the change more than any other group, so I feel I must still speak out.

Metric System

I would have no argument with conversion, if, as we have been told, the rest of the world is going that route—but that isn't necessarily so.

For example, we find that Sweden, Denmark, Germany and Great Britain still use the foot and inch in construction because those measurements apparently are more suitable for use in that industry. Lumber in most European countries is sold in board feet as in Canada and the U.S. and even nails are measured in inches not metric.

A change to metric in the lumber industry means smaller sheets of plywood, hardboard and panelling. Four by eight sheets will be about ¾" narrow and 1 ½" short. Just try to repair, renovate or add to existing buildings. Are we going to change all new houses and buildings to suit the size of lumber or buy lumber to suit our method of building?

A neighbour just bought a new tractor made by John Deere in its factory in Germany. The tractor was made in Germany, and the motor made in France but it is all S.A.E. (not metrically) equipped. Given the tremendous economic power of the U.S., which system is going to predominate? I contend that it may take quite a few years before we know.

● (2030)

For all Western Canada particularly—change from the mile and acre just isn't practical. Both come under provincial jurisdiction. The mile, because the province sets the speed limits and erects the road signs. The acre because land titles are registered by the province.

The bushel will continue to be used because of custom and because of practicality. The metric Kg is too small and the tonne is too large for every day use by farmers. Is 60 bu./acre not easier than 1.63 tonnes/acre or 50 bu./acre than 1.36 tonnes/acres?

Try spraying crops by the metric method when our sprayer tanks are measured in gallons. Which is easier to figure; a 200 gallon tank or a 919.2 litre tank? A 10 gallon/acre spray tip or a 45.46 litre/acre spray tip? Or are we to all buy new tanks and sprayer tips?

Metric conversion in the U.S. is to be on a voluntary basis; and for Canada to rush headlong into the change without even assessing the pros and cons and the costs of each change is hard for me to understand.

The farmers of Region 10 of Unifarm, have asked me to express these concerns publicly and to the government departments involved.

Personal letters to Premier Lougheed, Dr. Horner and Mr. M. Moore are the most effective method of influencing the government in this matter.

Stan Bell,
Unifarm Director
Region 10

There are many other similar letters and representations that I could place on the record. What we in this House are asking the government to do is simply this. We are asking for some flexibility and accommodation on behalf of the farmers of Canada. We have asked specifically that the acre and the bushel be preserved. The government responded by saying that if we are going to convert, we must convert to a pure system. As the article pointed out, there are not too many pure metric systems in the world.

As I said earlier, the United States is proceeding on a voluntary basis; persuasion but not coercion. We know they are going to retain the acre and the bushel. The United Kingdom has made exceptions. Sweden and South America, which are on the metric system, have made exceptions. I repeat, there is hardly a so-called pure metric system in the world.

Furthermore, I am not sure whether the metric system is as simple and convenient as we have been led to believe. I discussed the metric system with a surveyor who works for the Canadian forces. He reminded me that there are four different sizes of metres used throughout the world. I will place them on record so that those who follow this debate will know we have looked at the issue very thoroughly.

There are two sizes of metres used in the United States, 3.2808399 feet and 3.280833 feet. I am told that Canada is going to use another size, 3.28083980. The British use another size, 3.280843. That is hardly simplistic and hardly uniform.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue only with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

Mr. Mazankowski: Mr. Speaker, I thank hon. members for giving me the opportunity to conclude my remarks. I reiterate, it hardly augurs well for simplicity, convenience and uniformity. It is more like confusion and inconvenience. I know that the application of the metric system, particularly to agriculture in Canada, will cause undue hardship, inconvenience and confusion. It will create additional costs. I plead with the minister seriously to reconsider this measure. I ask him seriously to consider some of the pleas we have been making on behalf of the producers of western Canada. I implore him to give the farmers of western Canada an opportunity to express their views directly. Give the farmers an opportunity to participate in the democratic process. Let them be heard. Let them participate directly with the elected representatives of the parliament of Canada.

The minister rejected our proposal. I invite him to come forth with his proposal. What is his government going to do in terms of setting up this consultative mechanism? Whatever it may be, I hope he will give the western farmers the opportunity to present their views and place them clearly on the record. Then and only then will the best interests of the producer be served. Then and only then will democracy and our parliamentary institutions be best served. With that in mind, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That Bill C-23 be not now read a third time but that it be read a third time six months from now.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I speak in support of the amendment put forward by my friend and colleague, the hon. member for Vegreville (Mr. Mazankowski). This is the third opportunity I have had to participate in this debate. It is obvious that the majority of the constructive proposals that this party has put forward are falling on deaf ears.

The hon. member for Vegreville asked the minister responsible for small business whether he would accept some of our suggestions. The minister assured the House at that time that he was interested in our proposals. During the course of this debate we have found out just how interested the minister is in our proposals. We suggested that the clauses dealing with the

farming industry be referred back to the committee. Today in the House that was voted down.

The farmers had high expectations of an amendment to this bill when the hon. member for Crowfoot (Mr. Horner) crossed the floor. However, as was noted in the House today by the hon. member for Vegreville, the hon. member for Crowfoot was not in the House to vote for this legislation.

Mr. Woolliams: It was a sad day that Jack Horner turned against us in reference to the metric system. We oppose the bill.

• (2040)

Mr. Elzinga: Not one member opposite took part in the debate on the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). We have tried to put forward constructive proposals. The hon. member for Moose Jaw (Mr. Neil) suggested many ways in which improvements could be made.

We are all aware that the farm population in this country constitutes only 5 per cent of the total population. Perhaps this is one of the reasons the government was so intent on persisting with this legislation; it has no concern for those who are engaged in the farm sector. To anyone who has followed this debate it is obvious there is no one on the other side who speaks for the western farmer.

Some hon. Members: Hear, hear!

Mr. Elzinga: The minister for small business has sat mum in his seat signing his letters. I just wish he had seen fit to answer the letter the hon. member for Edmonton Centre (Mr. Paproski) read into the record today complaining about the metric system. But he did not choose to answer a letter which was contrary to his own view. The minister has told us he would not implement certain sections of the act, should this bill be passed, until he has consulted with the various farm groups.

Mr. Alexander: I would not trust him.

Mr. Elzinga: We cannot, after previous performances. I cannot understand why we should be debating legislation which is not going to be enacted. What is the purpose? It is just a waste of parliamentary time. If we can find nothing better to do than debate legislation which the government tells us it has no intention of enacting, it is time we recessed.

Some hon. Members: Hear, hear!

Mr. Alexander: Good point!

Mr. Elzinga: Another important consideration is the probable cost of these proposals. The United States estimates that metrication will cost them anything from $40 billion to $100 billion. Using the traditional factor of 10 per cent, we can expect that metrication will cost Canadians between $4 billion and $10 billion. However, to judge by its past performance, cost is an element least likely to be taken into account by the government. After all, in the past nine years or so we have seen record government spending. Of the nine budgets brought forward, eight have been deficit budgets. Today we are witnessing record inflation because of Liberal administration, record unemployment because of Liberal administration, and record government spending—spending out of all proportion.

We are imperilling the welfare of future generations to suit the whims of this administration. The economy is plagued by record high interest rates and record mortgage interest rates. Our current level of foreign borrowing is the highest of any industrialized nation. Is all this a record of which hon. members opposite can be proud? The national unity issue is probably the only issue which can save this government, and that is so sad. Because if one looks at the record of this administration, it becomes apparent we shall not have a country worth saving if the affairs of the nation are carried on in the future as they have been in the last ten years.

Again, I ask: Is there anyone over there to speak for the farm population? Is there anyone to speak for the housewife? My hon. friend from St. John's West (Mr. Crosbie) has very ably set out the difficulties which the Canadian housewife will encounter under the metric system. Instead of using teaspoons and cups to measure she will have to deal with kilograms and millilitres. But the government is not concerned with the difficulties of individuals who so often have no one to represent their interests.

The minister has assured us on several occasions that all the local farm organizations support this legislation. Had we accepted the minister's claim and allowed him to have his way, this measure would have been law before Christmas. But we hesitated to accept his statement at that time and we have discovered since that the heads of the local farm organizations were not speaking for their membership.

I have received briefs from several locals of Unifarm in my constituency supporting the position taken by my hon. friend from Qu'Appelle-Moose Mountain and suggesting that the clauses of the bill referred to in the hon. member's motion be deleted. These representations are a clear indication to me of the manner in which the government attempts to mislead the opposition and the Canadian public. We have evidence of this time and time again. We saw it in 1974. We are all aware of what happened then—of the government's sudden change of heart after its return to power. We remember the campaign of 1972 when we spoke out in favour of a modest increase for pensioners and the indexing of personal income tax. At that time, we were severely criticized by the party opposite, but immediately after they had been elected to form a minority government they saw fit to implement the policies they had criticized so severely.

I am saddened when I find legislation of this kind being pushed down our throats. I believe members on this side are to be congratulated on the contributions they have made to the debate and for making sure that participatory democracy is still alive in this country. They have made their views known forcibly in a number of speeches which I have heard or had the opportunity of reading in *Hansard*—speeches such as that made by the hon. member for Vegreville (Mr. Mazankowski),

who has done a superb job of representing the needs and wishes of those he was elected to serve. The hon. member for Edmonton Centre (Mr. Paproski) spoke today on behalf of constituents whom he has not yet been elected to serve when he put on record a letter from a rural resident in his prospective constituency of Edmonton North.

Mr. Paproski: And the minister still has not answered that letter.

● (2050)

Mr. Elzinga: This says something for participatory democracy. I am pleased to see there are many members on this side of the House who wish to continue with this debate.

Let me close by stating my disappointment at the manner in which so many members opposite withhold their true feelings. I am not only referring to the hon. member for Crowfoot (Mr. Horner) when he crossed the floor and stated that he would hope to see changes to this legislation. I have had the opportunity to talk to various other individuals on that side who have stated that they are in disagreement with this legislation. They are muzzled by their own people, much the same way as they were muzzled in the capital punishment debate. This is the third time I have had an opportunity to participate in this debate.

Even though I realize it is somewhat futile, I hope the minister will reconsider some of the positions he has taken and will see fit to give in to some of the positive suggestions made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the hon. member for Vegreville (Mr. Mazankowski), the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) and the hon. member for Edmonton Centre (Mr. Paproski).

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, since we have discussed the metric conversion bill from approximately December 23 until the present time, this House has witnessed more a devastating attack on the fundamental principles of this institution of parliament and the democracy of our country than on this bill. It was a simple matter which all parties had agreed to—how would Canada move into metric conversion? This government bungled it on the basis that they did not understand parliament or this country. It was their party which went up and down this country in that great, bare, red-assed demonstration of a baboon in heat. Participatory democracy was a great thing. Everyone was going to participate in decision-making. Where are these bare, red-assed baboons today? They are sitting there as docile as alley cats. They will not face up to the fact that they do not run the government. It is run by a series of people who are described as second class mandarins.

The Official Opposition, through the leadership of the hon. member for Halton-Wentworth (Mr. Kempling), supported metric conversion in principle. On behalf of the party, he asked the government to bring forward legislation which would show the responsibility each would have in the conversion.

Mr. Marchand: You should read his speech, Alvin, it was good. It supported metric conversion.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am glad to see the minister has awakened. The hon. member for Halton-Wentworth asked the government to show where the responsibilities lay and if there was any great harm economically to any group or individual, what was the compensation parliament was willing to provide? That was the stand on behalf of the party. This member is a manufacturer by trade and is knowledgeable of the advantages and the disadvantages of the metric system. The hon. member put his entire belief behind this conversion to the metric system. What turned him off? The fact is that as a businessman he saw second class public servants not knowing whether they were punched, countersunk or out by a steam shovel. He also saw that some of the ministers were weak and could not stand up for themselves. I remember that day in committee when he said, "If I were the boss and you were my employees, I would fire the whole bunch of you". That is exactly how the people of Canada feel.

On January 26, when this matter came up, on behalf of the Official Opposition I said that this bill was supposed to be law five days later on February 1. On behalf of my party, I offered to pass this bill that afternoon and legitimize what these grain companies had done and what other companies had done. They had been told by government officials that this was going to be law on February 1. That compromise was a simple one, namely, that we get rid of the word "hectares". We do not need hectares because we are not selling land on the world market. I thought the minister had accepted that compromise. I was prepared to go across the country helping to explain to farmers, businessmen, consumers and housewives the advantages of the metric system. When I thought the minister had agreed, we stopped talking in the House, went into committee, and the first thing that happened to us in committee was that the minister got up and repudiated what he had indicated he was willing to do. He read out a statement which was prepared by public servants, which can be described by the elegant word "crap", and that is all it was. No person could write a statement like that for the minister and be anything above the level of a moron to make the arguments put forward in that statement.

We made a compromise offer to the government on second reading that we would support the thing even though it was going to be tough. We knew people would be opposed to the bill even if they took out that word "hectare". When we heard the evidence of the representatives of the so-called farm organizations, we knew they had not consulted with their farmers. We knew some hon. members on the government side were just as depressed about the metric conversion bill as we were. Yet we presented our second compromise in committee, namely that we should not ask consumers to have available only the metric system under the law, that we should give them three more years to change over. This is what the consumers association asked for, and this is what we moved. They wanted these people to have three more years of seeing both the imperial measurement and the metric measurement

on the same carton. It would give them three years to adjust in order to have time to persuade and educate them that the metric system was not bad.

That proposal was turned down by the votes of every Liberal member in that committee. Through the amendments by the hon. member for Moose Jaw (Mr. Neil), we proposed that in the case of grain farmers we make it permissive. The Wheat Board made it permissive because they had to deal with farmers and they could not get along with them by trying to enforce the metric system on them without their permission. That was not the case with this government. They forced those poor Liberal members on the committee to vote against our second compromise one after the other—a permissive system for a number of years.

● (2100)

That was the second compromise, Mr. Speaker. On third reading we tried once again. Taking advantage of the minister's statement that he would not proclaim the legislation but wanted to consult with the grain industry and the farmers, I moved an amendment using his words. After the amendment was accepted—with the deletion of the last two or three phrases—we offered a compromise and said that if they took this bill back to committee to deal with Clauses 2, 4, 6, 8, and 10, and if the farmers were consulted, the Official Opposition would be co-operative in getting the bill through.

What happened, Mr. Speaker? Not one member on the government side responded to that compromise. This is the only way parliament can work yet they turned it down. They now sit silent, docile, a bunch of beaten-down hacks.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): They are so frightened of the Prime Minister (Mr. Trudeau) that they dare not voice their own opinions and they do not care any more about what their constituents think. As long as the Prime Minister is in charge, they say, he will get some great issue going, such as abortion, divorce, homosexuality or a crisis that is not a crisis. He will even drag in homosexuality to get the people's interest away from the main issue. He will do anything at all to get off the main issue. That is why I say participatory democracy is dead as far as this government is concerned.

Last night a minister I have had many a battle with over the years, particularly on his farm legislation, brought in a bill that affects western farmers. I looked at the legislation, this party examined it and we decided it was good legislation. We knew it would be opposed by the New Democratic Party.

An hon. Member: Where are they?

Mr. Woolliams: Stanley is always alone.

Mr. Hamilton (Qu'Appelle-Moose Mountain): This party voted with the government and I think this demonstrates that Her Majesty's Official Opposition will co-operate on good legislation. When we do support the government on bills that we think are good, however, then I think the government has an equal responsibility to listen when we oppose something they do.

All the evidence that can be brought forward, all the tests that can be made of public opinion on the prairies, show that a huge majority of people are opposed on this dictatorial conversion to a metric system that they do not understand and which they know is going to cost hundreds of millions of dollars. They also know they have no chance to express an opinion.

This alienation that exists all across the country against the governments of the provinces and the federal government has surfaced because we are not listening to our people and they feel there is no way for them to make their voices heard. As members of parliament all we can do is express the views of our constituents and our part of the country on behalf of equity and justice in the hope that the government will listen. When has this government ever bent its knees a fraction and yielded to the advice that might come from this side of the House?

An hon. Member: Never.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The government seems to be unable to follow the democratic traditions of this place which depend upon a certain amount of give and take if there is to be harmony in reaching decisions which are best for the country.

To claim that what civil servants put forward as legislation is God's word and cannot be challenged is to go too far. I would say that democracy has suffered, with this fairly elementary principle of metric conversion, a deadly blow. Farmers from all parts of Saskatchewan and all across the prairies are writing to me about it but I have not bothered to read any letters into the record. Of 700 letters that came in, only three supported the metric system, and they were all from delegates of the Wheat Pool. We have always sold wheat by the metric system so why do we have to force metrication at the farm level when it is not necessary? If farmers can be shown there is some advantage in it they will adopt it.

In all the years I have been around here I have never seen such a complete failure of human beings to bend a little on such an elementary issue and make a compromise. All we asked the government to do was to consult face to face with the farmers; meet them in small groups where they can say what is on their minds. This issue of metric conversion, which I thought would have the harmonious co-operation of all parties, has turned out to be a complete farce in terms of democracy.

On the subject of humanity toward your fellow man, we know that the Liberals worked hard for two or three months seducing a simple country boy to join their Cabinet.

Mr. Woolliams: Where is he tonight?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Apparently he believed that if he crossed the floor they would listen to him. He promised the people of western Canada that if he got in there he would put the view of western Canada to the

government and would protect them against this evil thing, the metric system. Just the other night I warned the government that if they rammed this metric conversion legislation through they would destroy the Minister without Portfolio (Mr. Horner).

Mr. Knowles (Winnipeg North Centre): Maybe that is the reason.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is possible. The hon. member, who has been here many years, says that may be the reason. Perhaps it is a question of having the Prime Minister do to the new minister what he has done to so many ministers in the last three years. What other Prime Minister in the history of Canada has got rid of 14 cabinet ministers in four years?

An hon. Member: Not even Idi Amin can do that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Idi Amin is an amateur compared to the cynicism of the Prime Minister if he destroys the new minister so quickly. The Minister without Portfolio is in the west now. He spoke in my constituency for an hour and told the people why he had made the great conversion from a person who had always—

Mr. Woolliams: Little Jack Horner sits in his corner playing with his metric system.

Mr. Hamilton (Qu'Appelle-Moose Mountain): —been opposed to this government. He told the people in my constituency why he joined the cabinet. They naturally believe he is going to be able to persuade the government and the Prime Minister that the ways he is so strongly opposed to should be changed.

Why does the government bring this legislation forward in his absence, Mr. Speaker? Why are they pushing it through? Is the hon. member for Winnipeg North Centre (Mr. Knowles) right when he suggests it is a deliberate plan to destroy the minister? What a cynical thing to do. No matter how simple a country boy he might have been, he is a human being.

Mr. Woolliams: I would question that.

Mr. Kempling: You can take the boy out of the country but you can't take the country out of the boy.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Canada is supposed to be a democratic country. Let us assume for a moment that the metric system is a good system and that once you have learned all the terms and you think in decimals, it is possible to calculate things fairly quickly and accurately. But decimals are dangerous.

● (2110)

This is the story that Quebec farmers are telling me. Two or three years ago they punched a lot of information into a computer to find out how much milk was needed in Quebec. The computer went clickety-clack and clunkety-clunk and out came the print-out. It was meant to read that 50 million pounds of milk was needed from producers in Quebec, but what did the fellow who read the print-out see? The decimal was shifted over and the figure that came out was 500 million pounds. The fellow at the end of the computer is not the guy who fed the computer at the beginning. Since the computer came out with a figure, he thought that is the truth. So our Canadian Dairy Commission told all the Quebec farmers to boost their production, to borrow money, to get cows that produce 20,000 pounds of milk a year instead of 10,000. The Quebec farmers did that. They had visions of an increase of 15 per cent in their quota.

You know what happened in the year 1976, Mr. Speaker. The cows were bred, they had calves, they were fresh, the milk was pouring out, the rains came, the grass grew, the cows ate it, the milk came out faster. The milk was pouring all over the place. Then the minister had to stand up and say that somebody made a mistake, the Quebec farmers were producing too much milk, their quota would have to be cut down by 15 per cent and if they did not start reducing that milk, the government would fine them $8 for every 100 pounds they delivered over the quota. So the poor little farmer says to me, "Look, in one three months period I get $12,000 worth of milk produced, but the fines are $9,000. I am broke".

Last June the Quebec farmers had a meeting in front of the parliament buildings. The poor minister had not been told by the civil servant that somebody had goofed with the decimal point. He went out to say "Mes amis, I am your Minister of Agriculture". You know what happened. He thought the world war had broken out, with all that milk and butter. Why should a minister have to endure that because somebody made a mistake with a decimal point? I am simply saying that in Canada, even though the metric system is a good system, it is dangerous if you have to move decimal points around.

My remarks can be summed up in this way, Mr. Speaker. Canada, like the United States, the United Kingdom, Sweden and other countries, has a democratic tradition. You cannot force a Canadian to do anything; you can only lead him. We have demonstrated that in the war and we have shown it in peacetime. You do not force Canadians. Of course, occasionally you can scare them and they do irrational things, but generally speaking you do not fool Canadians for too long. I am simply saying that the government is not using democratic procedures in this matter. What is wrong with asking farmers face to face what they have against the metric system and whether they would accept it and give a little here and take a little there? The farmer would back you up if he saw that it was in his interest and that of his country to do so. But we are not giving him this opportunity. The government is attacking our democratic ways. Participatory democracy is gone.

I just came from a reception tonight which was in honour of a delegation from the People's Republic of China. The first thing I did when I arrived was to ask them whether they are still using their land measurements. They said, "Oh yes, we still use the mu". I asked them whether they are still using their weight measurements, and they said, "Oh yes, we still

use the *catty*". "But," I said, "your officials always use hectares and tonnes". They said, "Yes, but in the people's culture it is the *mu*, a sixth of an acre, and the weight measurement is a *catty* that the farmer can handle and lift". The Chinese farmer understands the *mu*—it has been used in China for 6,000 years. So even in a revolutionary society such as the People's Republic of China they would not consider changing the land measurement; they simply make the official do the conversion into the so-called metric system, the way we have always done it in Canada. But in Canada we do not have respect for people any more. We do not let them keep their culture, we do not let them change gradually. We force the change through because the experts say that is the quickest way—you kill or you cure. I think that somebody's hide is going to be cured this time.

I think that under this Prime Minister (Mr. Trudeau) we have lost the ability to be flexible. We have lost the ability to be democratic, and we are simply taking the word from up high. Infallibility has long since passed from the scene in the modern world. It is not the Pope's infallibility we are talking about; we are talking about the infallibility of the Prime Minister, and there are several other ministers who hope they have the characteristic of infallibility too. You cannot run Canada on the principle of infallibility. All you can do is to move forward a little bit at a time; that is the way you make progress.

I want to conclude with a statement made with respect to the history of our country written by Donald Creighton. I mentioned this before and I mention it again. His volume 18 on the history of Canada from 1939 to 1957 is entitled "The Forked Road". In that volume he pointed out that Canada, during those years of war and the 12 years afterwards, took the wrong fork in the road. Then he said that we surrendered as a nation to Keynes, Beveridge and Burnham; Keynes with his monetary theory that would solve all our problems; Beveridge with his cradle to the grave doctrine which would keep everybody supplied with social welfare; and Burnham with his doctrine of the managerial elite. Who won the war? The managerial elite run this country. They are the ones who guide the ministries. They are the ones who terrify the backbenchers.

So long as you depend on the special breed of people who come up through these pyramids in the civil service and a dozen people tell you what to do, this is the state in which we will find ourselves. We have lost our respect for the common people. We have alienated ourselves from them as an institution, and we have gone a long way in attacking the foundations of democracy to send this country down the wrong fork in the road.

You have seen and heard members of this party do their level best to try to put the facts before the government. We pointed out that the hectare will cause a whole lot of trouble in Quebec, Ontario and the Maritimes, as well as in the west. It is not a permanent part of the metric system; it is only in there temporarily. Yet we are being forced to accept a temporary term that will upset us, all in the name of keeping everything neat and tidy and efficient according to Burnham's theory of the managerial elite.

Canada as a nation took the wrong road when fighting the war in 1939 and the years afterwards, the road of controls, the road of loss of freedom. What is necessary now is to get back to basic truths; you do not force Canadians to bow to the wisdom of a managerial elite which learns nothing and forgets nothing. I call them nitwits, and everybody can understand.

That is the perspective in which this issue must be seen. We have sold our souls to experts who are exacting a terrible price from us in the loss of our democratic traditions. It is a sorry day when I have to stand in the House and make the charges I am making tonight, but I make them in honesty and sincerity. I say that even on a simple matter such as the metric system the government will not use the ordinary democratic procedures that would make this system work. That is why we have no choice but to tell the people of the country that the only party in the House which has stood up and fought on this issue was Her Majesty's Loyal Opposition, the Progressive Conservative Party.

Some hon. Members: Hear, hear!

• (2120)

Mr. Hamilton (Qu'Appelle-Moose Mountain): We want this country to tackle the monetary and economic issues which are before us and not be distracted by issues which are purely emotional and which have nothing to do with the problems ahead of us. I hope this metric debate has served one useful function; I hope it has convinced many people that their voices are not going to get heard by this government as long as this government lasts and as long as the government stays under the heels of this so-called managerial elite.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, it is a great pleasure to participate in this debate and particularly to follow the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who always gets to the heart of the matter under discussion. As the hon. member for Qu'Appelle-Moose Mountain indicated, at the outset of the debates we have had on metric conversion I also was one of its great supporters, and I believe I still am today. I believe eventually we will go to the metric system. I think eventually we will convert, but I became very turned off in discussions I had in meetings with the Metric Commission.

When we look at these matters, it might be a good idea to go back and read part of the order in council which set up the Metric Commission. The order in council is dated June 10, 1971 and it is order in council No. PC 1971-1146. The order in council accepted a recommendation of the then minister of industry, trade and commerce, pursuant to section 18 of the Government Organization Act, 1969, to establish a preparatory commission for the conversion to the metric system. At that time all parties in the House accepted metric conversion. I believe they accepted it on the basis that in due course we would have a metric bill before the House which would lay

down the complete program of metric conversion to cover a ten-year period. However, we have not seen that.

The order in council to which I referred instructed the commission in item 7 as follows:

> The Commission shall advise the Minister on the need for legislation or any other action that may be required to facilitate conversion to the metric system.

We talked to the commission about this when we had some of its members before our committee, but they were just blank on the question of legislation. As closely as I can calculate, there are at the present time about 92 statutes which will have to be amended to accommodate the metric system. I can only say to the minister responsible for this measure that he has had an indication in this debate of the difficulties with just a few of the items which are being dealt with in Bill C-23. There are 92 or so more statutes to be amended. If the minister wants to make some progress, I urge him to bring in a metric bill and lay the balance of the program out. Surely that is not too much to ask.

We have spent something in the order of $20 million on metric conversion so far, and what have we got for it? We have a very confused picture. We have 1,500 people on the sectoral committees of the Metric Commission. These are mostly technical people. They are not market-oriented at all. There is no representation from small and medium sized businesses to speak of.

In other words, the corporate elite is engineering metric conversion. Those are the people who have financial base which enables them to send their people to Ottawa to sit on those sectoral committees and to help the government engineer this conversion. We have a bunch of technocrats who are using a critical path method, but they are adhering very rigidly to the dates set down by the commission.

The biggest problem I have discovered as a result of talking to people in industry who are working with the Metric Commission is that there is a tremendous lack of communication. What they are saying is that we should inform the informers, because there is only a handful of organizations which have the means to communicate with their various members. People in industry get together and form little industrial associations so that they can talk over their mutual problems; but let us remember that it takes money to run those organizations and to disseminate information, and there is only a handful of large organizations which have the means to communicate with all their members. Let us remember also that not everyone in industry belongs to one of those groups. The biggest problem is lack of communication, and the fact is that there is no representation from small and medium sized businesses to speak of. I know from talking with the Canadian Federation of Independent Businessmen that their constant complaint is that they have no representation or no input with regard to metric conversion.

Then there are mechanics and people who are concerned about buying tools. They wonder whether they are going to get some allowance for the special tools they have to buy. I have to concede that, after looking into the matter on my own and after talking with various tool manufacturers, I have found that the cost is not as great as some would have us believe. We have heard figures of $3,000 and $1,500 as the cost of a mechanic's tools and so forth, but the cost is not that high. The tool manufacturers tell us that the cost is quite a bit less than that; $150 or $200 in many cases was all that was needed to convert. However, these people are looking for an allowance. After all, if you are running a business and buy tools, you can deduct the cost of those tools as an expense. However, the man who has to supply his own tools cannot do that. He does get an income tax allowance of so many dollars a year, but that is just for the replacement of existing tools which are broken. He is looking for something beyond that.

It is my understanding that the Metric Commission recommended a tax allowance and the income tax form, but that was rejected by the Department of Finance on the ground that it might set a precedent. That is a pretty flimsy way to look at it.

However, the Metric Commission went back in its bureaucratic way and came up with an alternative method. Hon. members will not believe this. The metric mafia says the alternative method of giving an allowance for tools would be this: first, the mechanic purchases a tool; he receives a sales slip describing the tool and designating it as a metric tool; he mails the sales slip to the Metric Commission, after completing, of course, the appropriate form in true government style; the Metric Commission investigates the claim and, if it approves it, it passes it along to the Department of Supply and Services. In due course the Department of Supply and Services issues a cheque to the mechanic and mails it out to Manpower, which distributes the cheque to the mechanic. Can hon. members imagine a more complicated way of reimbursing someone who buys a metric tool? Is it not incredible that all those steps should have to be taken?

● (2130)

One would think the government would make some accommodation for this matter on personal income tax forms, but no, it has not done this. There will be a proliferation of hundreds of thousands of pieces of paper. People will be running around checking catalogues and advertisements to see it it is being done according to the government's standard. The federal government has not even consulted all its departments to determine how they will be affected by the metric system. That does not show a strong commitment on the government's part. That is partly why we say this present legislation is inadequate.

What is the Metric Commission? Basically it is a bunch of misfits, and I say that with all due respect. It is my impression that if a department wants to get rid of someone, it sends him to the Metric Commission. That is why I said the commission is nothing but a bunch of misfits. It has not thought this question through. Some time ago I talked to people in the Canadian lumber industry from the west coast, one of whom had been on a sectoral committee. He said that the lumber industry could convert, but that cost was the important factor.

We are told that conversion to the metric system is to be complete by 1980, and I wondered if the lumber industry could

meet that 1980 target date. This man told me that possibly they could be ready by 1985 but it depends on what happens south of the border, for much of our lumber goes there. They buy it. If they are ready to accept metric measure by 1985, we will convert then. If they are not ready until 1990, we will wait until then. Therefore, not every industry of this country will convert readily to metric measurement, and for good reason. And we are annoyed that the federal government has not considered this.

That our changeover is confused is illustrated best by what happened in the changeover from Fahrenheit to Celsius. Before the changeover, the commission was in a panic. It held various meetings and decided, in the summer to publish a book for distribution to school-children in the fall. They would return to school in September, read the pamphlet on temperature conversion, and tell their parents about it. In the process it was hoped everyone would become familiar with the new temperature scale. There were numerous delays, and although the booklet was eventually finished, it was not ready for September distribution. The following January it was still sitting on the desk of the Metric Commission director.

Then someone looked at the calendar and said, "My God, we are supposed to be converted to Celsius by March and we have not distributed the booklet in January." There was great panic. There was an attempt to move the conversion date forward, but the government refused. Consequently great confusion reigned in the conversion from Fahrenheit to Celsius. Some still cannot use the new scale. Some radio stations report in Fahrenheit; others in Fahrenheit and Celsius. Although I have no trouble myself, I have met people who tell me they cannot relate to the new temperature scale, and are glad to have an old thermometer; otherwise they would not know the temperature.

The program of the Metric Commission has run into difficulty. It has spent almost $20 million, and the result has been a great deal of confusion in the country. The government's position on the changeover from acres to hectares shows great rigidity on its part. It makes no economic sense. The changeover from acres to hectares will not produce one more bushel, or tonne, I should say, of wheat. It will bring no economic gain. That is not only our view; it is also the view of the American scientific committee. The letter the American scientific Committee sent us told us that people in Louisiana still use the old French land measuring system, and in California they still use the old Spanish measure. They do not think there is any economic advantage in converting to the English system of acres. The committee says it sees no economic advantage in the conversion from hectares to acres. I say it will bring only confusion.

The government and the Metric Commission are trying to tell us that the provinces will be responsible for the conversion; I suppose theoretically the provinces will convert, and people supporting metric conversion say everything will be rosy. Well, they are not right. Many municipalities have said they do not intend to change their street signs from miles an hour to kilometres an hour. The authorities in one of our large cities say this could be dangerous, because if people see that the speed limit is 50 kilometres they may think it is 50 miles an hour. I point out that 35 kilometres an hour or even 30 kilometres an hour is not the same as 30 miles an hour. Think also of the confusion in our border towns, where tourists enter from the United States. There could be serious difficulties, and people not used to metric speed signs could easily become confused.

In addition, consider the cost of changing our signs. Municipalities will approach the provinces for the money and the provinces will say, "We have no money for this, it is the federal government's responsibility. We will take it up with the federal government." The provinces will find they cannot get anything out of the federal government for metric conversion. Therefore it will be the taxpayers of our towns and cities who will pay the costs of conversion. But many of our small communities will say, "We do not have the $100,000 or the $200,000 needed to change our signs, and we are not going to do it." The result will be nothing but confusion in the matter of metric conversion.

Hon. members have talked of the change metric conversion will impose on our culture. I suppose people will say that Peter Piper picked 8.87 grams of pickled peppers, but it does not sound the same, and it disturbs me.

Mr. Paproski: Say it really quickly.

Mr. Kempling: I can hardly say it as it is without faltering. We used to say, when quoting the "Charge of the Light Brigade", "Half a league, half a league, half a league onward, into the valley of death rode the 600". I suppose now we shall say, "1.5 kilometres, 1.5 kilometres, 1.5 kilometres onward, into the valley of death rode the 600."

Mr. Paproski: What do you think will happen to football fields?

Mr. Kempling: Incidentally, Mr. Jake Gaudaur, commissioner of the Canadian Football League, participated in our little luncheon group not long ago and assured us there will be great difficulty converting football fields. He said that despite anything the government says, it is intended to retain the present field size and markings.

• (2140)

I have been rather harsh with the Metric Commission. In my view, they have not done the job they were given. The order in council is very precise as to what they are to do. Nearly $20 million has been spent on metric conversion. However, when I talk to people in industry they say they do not hear anything about it. They are not getting the information. They say they will not absorb the cost of metric conversion, they will pass it on to the consumer. Eventually, the taxpayer has to pay for this. The taxpayer has already absorbed the $20 million spent by the Metric Commission.

The Metric Commission periodically travels around the country holding meetings. They have said to those attending the meetings that industry will pay the cost because of the great benefits that will accrue to them down the road. That is one thing you do not do in business, accrue benefits over a long

period of time. There is no place on the ledger sheet headed "benefits that will accrue" so that you can write off the cost over a period of time. They go from year to year because that is the basis on which they pay taxes.

The Metric Commissioners say at those meetings that industry will absorb the cost and it will not be passed on to the consumer. At the same time the industry people are saying they will not absorb the cost, that it will be passed on to the consumer.

I would like to see this matter brought forward in a bill. The best thing that could happen to metric conversion would be to bring a bill into this House and have it debated. Let us get it out in the open and do something about it. Get it into committee. Put the amendment through.

If the people on the Metric Commission do not know how to write a bill, we will help them. If the Department of Finance does not know how to compensate small people for the cost that will accrue to them as a result of metric conversion, we will tell them how to do it. We have studied this for a long while. I think we have a good handle on it.

Like my colleagues, I become discouraged when I see the government become rigid. They will not move. They say this is the way it is going to be and you will like it or lump it. When I see that happen, I become very obstinate. I can no longer be a person very much in support of metric conversion.

I went into our caucus and pleaded with our members to support metric conversion. Many now ask me what has happened. They remember when I went to caucus and made a long, passionate speech about metric conversion, how we should support it and how great it would be for Canada. I took a lot of abuse for it. I received letters. I will not read them into the record because some are not very nice. However, I did that because I believed in metric conversion. When I saw what the various ministries had done or had not done with regard to metric conversion, I changed my view. I support the principle of metric conversion completely, but I do not support the way the government is trying to implement it. The way they are going about it is regressive.

With regard to the one matter of acres and hectares, we had before our committee representatives from the farming community. They told us that the farmers were all for metric conversion. At the same time, the farmers went to a meeting at the Chateau Laurier. Metric conversion was raised. There was such a violent argument that the chairman of the meeting tabled the matter so that they could get on with other business. In other words, in no way is metrication unanimous.

The hon. member for Vegreville (Mr. Mazankowski), the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and others who have spoken in this debate have quite rightly said that this bill should be sent back to the committee.

Bring in a bill. Let us get it out in the open. Let us debate it. Let us get together with the farm groups to see what we can do to make metric conversion work. Until the government does that, I can assure them that they will have just as tough a time with the other 92 bills as they are having with Bill C-23.

[Mr. Kempling.]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would not have again risen to speak about this matter if I did not feel so deeply about it. During the last debate, I spoke about the history of the west. I spoke about the Torrens system which we inherited from New Zealand and described in some detail what it meant to the history of the west. During that speech, the minister responsible for small business poohpoohed and heckled me. I read that speech tonight for the first time since I delivered it.

There is one tool that parliament has, namely the right to debate. I may be accused with my friends of filibustering the bill, but I will tell them this. If I have to filibuster this bill as long as I am in the House because of what it is doing to the history and tradition of western Canada, I will take the punishment the media pour out for filibustering. I will use every tool of parliament to make sure that parliament works rather than have something rammed down the throats of western Canadians.

This bill is nothing less than parliamentary insemination. They are going to give it to you through a syringe whether you will like it or not. You will have a calf whether you will like it or not. It is the rape of the west.

The opposition has a function. I have read articles, not in the farm papers but in other papers, suggesting that we are debating this bill and holding it up. Let me tell you the truth. We are debating it. We are holding it up.

Some hon. Members: Hear, hear!

Mr. Paproski: And we shall win.

Some hon. Members: Oh, oh!

Mr. Woolliams: I hear the interventions. I appreciate that members opposite are worried about the same thing. I am sure in their caucus the little man from the corner, little Jack Horner, is playing with his metric system. He must have told the government members what this means to the farmers and to the city people and about the millions and millions of dollars it will cost the Canadian taxpayer to change over.

I want to talk about the function of the opposition. You first have to look at the term Leader of the Official Opposition, Leader of Her Majesty's Loyal Opposition.

An hon. Member: Who is that?

Mr. Woolliams: Do not worry about him, he will come through. It was only a short time ago that the Prime Minister (Mr. Trudeau) was away down low in the polls. Polls work like a yo-yo. I agree with the right hon. gentleman from Prince Albert (Mr. Diefenbaker)—"poles" are made for dogs.

● (2150)

Some hon. Members: Hear, hear!

Mr. Woolliams: But even the law statutes refer to the Prime Minister as "Her Majesty's first minister of the Crown" and to the Leader of the Opposition as "The Leader of Her Majesty's

Loyal Opposition". What are our functions? We have been criticized for taking the position we have. I am pleased that I can stand here tonight and take the attack. But what are our functions?

Mr. Harquail: What functions?

Mr. Woolliams: The hon. member asks "What functions?" How would he know a function? Being a sheep with the Liberals it is very easy to follow, especially coming from the riding he does. I know it. There are safe Tory ridings and there are safe Liberal ridings. It is very easy. I can understand his frustrations. If I sat where he did I would be frustrated too. He must be silent. He doesn't speak. He is not even allowed to think. He just follows like a sheep.

Some hon. Members: Hear, hear!

Mr. Woolliams: In dealing with this bill, the functions of the Official Opposition are comprehensive and important.

Mr. Harquail: When are you going to start functioning as an opposition?

Mr. Woolliams: Well, any time you want to come over. We have lost some members to your side but I am sure we are going to gain some from yours. It may be a realigning of party policy. But I will put one question to you: Have you stood in your place? Have you made a speech on this bill tonight?

Some hon. Members: Shame!

Mr. Woolliams: I am sorry, Mr. Speaker. I am tempted to break the rules. But one has to break rules when dealing with men who speak through the bottoms of their pants.

Some hon. Members: Oh!

Mr. Harquail: When are you going to deal with the bill?

Mr. Woolliams: I am dealing with the criticism levelled at the opposition.

An hon. Member: You can do that.

Mr. Woolliams: I thank the hon. member for that compliment. I cannot return the compliment because I don't think he is a good backbencher. He is too silent.

The functions of the Official Opposition are comprehensive and important and cannot and must not be limited to the definition given 120 years ago—

An hon. Member: What's that?

Mr. Woolliams: And, by the way, Paul Martin who is now the High Commissioner in London—

An hon. Member: Tell us about the bill!

Mr. Woolliams: Do members over there intend to holler and shout all through my speech? I will tell the hon. member what I will do.

Metric System

Mr. Harquail: I have watched you do that for years. I have been listening to you do that ever since I arrived here.

Mr. Woolliams: Well, I have watched you. You don't have to sit here, go back to your office, you idiot!

Some hon. Members: Oh, oh!

Mr. Paproski: Go back to your seat, at least.

Mr. Harquail: You are not running this House yet.

Mr. Woolliams: I am not running it yet but—

Mr. Harquail: And you never will be.

Mr. Woolliams: I put this question to the hon. member through you, Mr. Speaker. I am glad he has gone back to his seat. He is starting to learn the rules. What contribution has he ever made to this parliament since he came here?

Some hon. Members: Oh!

Mr. Harquail: On a point of order, Mr. Speaker. Your Honour may have observed the unparliamentary remarks made in the course of the hon. member's contribution tonight. Since he did direct a question to me, I am very pleased to refer him to *Hansard* where he will find I have attempted to put on record the negative position adopted on most issues by the hon. member's party, which is purported to be the Loyal Official Opposition. That party has, apparently, no positive view on any of the issues before us. I may say I have spoken positively about transport problems, about maritime concerns—

Mr. Deputy Speaker: Order, please. I might bring it to the attention of the hon. member for Restigouche (Mr. Harquail) that under the relevant standing order a question can be addressed to a member who has the floor, but an hon. member cannot rise to answer a question directed to him by an hon. member who has the floor. So I am afraid the hon. member is not permitted to give an answer to the question directed to him except by seeking the floor himself in due time, and answering the question then if he wishes to do so. I do not think the hon. member for Calgary North (Mr. Woolliams) should be interrupted by an answer to a question he has asked in the course of his speech.

Mr. Woolliams: I thank you, Mr. Speaker, for putting things in a proper perspective. The hon. member who interrupted me suggested I had not put forward anything positive. Let me respond to that suggestion in the light of what I was saying about the functions of the opposition. I rose two weeks ago in the private members' hour in an effort to change a 150-year-old rule whereby a child of only seven years could be convicted of an offence. I asked for an amendment to be made to the law. And I will tell you, Mr. Speaker, what the hon. member and his friends did because they have no heart, no feeling for what happens to the kids in training schools and penitentiaries. They talked that bill out! That is the hon. member's contribution to parliament.

Metric System

I come back to what I was saying with reference to the functions of an opposition in the face of a bill such as this dealing with the metric system.

An hon. Member: You are mad now!

Mr. Woolliams: Yes, I am mad and I am glad somebody has said I am mad. I am going to be mad when it is proposed to change our history and traditions at a cost of millions of dollars for no good reason at all.

As I said, under the Torrens land system land was divided into acres, not hectares. It was divided into quarter-sections—

Mr. Marchand: Where did the acre start?

Mr. Woolliams: Well, I would say to the little minister of small business, who is as small as the business he is talking about and is small because he is not supporting our arguments, that in Kamloops they have lots and blocks. When they find out that they have a block for a minister they will know they are in a lot of trouble.

Some hon. Members: Shame!

Mrs. Campagnolo: Unworthy of you!

Mr. Woolliams: It may be unworthy, but facts must come out tonight because we are fighting for our traditions.

Mr. Marchand: You are talking about this bill. Tell me how large an acre is.

Mr. Knowles (Winnipeg North Centre): It is 1/640th of a section.

Mr. Woolliams: Yes, and 160 rods.

Mr. Marchand: What is an acre and where did it start?

Mr. Woolliams: I will say this. "Acre" is from a Latin word, but acres, sections, townships, municipalities and counties come from the Torrens land system which developed the West. Mr. Speaker, I have never been interrupted so often in a speech by so many members.

Mr. Kaplan: We want the bill.

Mr. Woolliams: He wants the bill! They are like a girl who wants the pill. They always want something.

An hon. Member: Oh! Where is Horner?

Mr. Woolliams: You have got Horner. He was going to change all these things. Where was he today when the vote was being taken? He was absent. That worries me because I did believe he was conscientious in thinking that he could do more within the cabinet than outside it. Now he is not only outside the cabinet but he is outside parliament.

Let me come back to the point I was making. I want to refer to something which Mr. Paul Martin said, the present High Commissioner in England. He said that the duty of the opposition is to oppose everything and to turn out the government. That is what he said when he was in the opposition. I felt that was hard lines. I opposed the Hon. Paul Martin, who was quite a gentleman, when he said that. Realizing now what kind of government we have and what they have done to parliament, they should be criticized by the opposition. Perhaps we have not carried out our role. We have always taken the affirmative and we have been criticized for that. During the last election we were criticized about wage and price controls, which was the big issue. That was a positive approach. The Liberals took a negative approach. The election was over, the Prime Minister (Mr. Trudeau) returned to Sussex Drive and he brought in wage and price controls.

• (2200)

Mr. Paproski: He deceived the people of Canada.

An hon. Member: You have lost a year.

Mr. Woolliams: Maybe the hon. member is correct and I have lost a year, but Canada has lost ten years under the Trudeau government.

Some hon. Members: Hear, hear!

Mr. Woolliams: Now we are being criticized because we are opposing this bill.

An hon. Member: What have we lost because of the Conservative government?

Mr. Woolliams: I read the speech of a gentleman whom I have always admired. I have not always agreed with him, but I certainly asked him many questions.

Mrs. Campagnolo: Oh, oh!

Mr. Woolliams: You can mutter, you can sputter, but I am talking about Lester B. Pearson. He made a speech at a Canadian Club luncheon and quoted with affection a former prime minister who was a Conservative. He said:

> It holds its opposition partly because of its great traditions. It has fought kings and dismissed them. It has raised up an army to destroy a king and was itself destroyed by its army; only to recall another king and to rise up again on the site of its own destruction. It has been modified and reformed to meet the changes of centuries. It has been led by the greatest men that the country has produced . . .

He was talking about the British—Pitt the Elder and Pitt the Younger, Sir Robert Peel, Disraeli, Gladstone and Lloyd George. This country has had great prime ministers. We have had Macdonald, Laurier, Meighen, Mackenzie King—

An hon. Member: And R. B. Bennett.

Mr. Woolliams: Yes, we have had R. B. Bennett. I will stop at this point and digress for a few moments. History has not been very fair to R. B. Bennett. The depression was on in 1930 when Mr. Bennett, who was from my city, took office. The late Mackenzie King said that there would be one five cent piece for the unemployed in any province in which the premier is a Conservative, and that destroyed the Liberal Party. It may have been said deliberately. At the time Mr. Bennett was in office there were ten million people in Canada, and he came

from a little cow town of 15,000. Mr. Bennett is now being played up as quite a man: he defeated Ramsay MacDonald, a Labour leader in England where there were six million unemployed; he defeated Hoover in the United States; he created Mussolini and Hitler; and he created a world depression. What Mr. Bennett really created was the Bank of Canada to control our currency. He brought in prairie farm rehabilitation—

Mr. Knowles (Winnipeg North Centre): He brought in public broadcasting as well.

Mr. Woolliams: Yes, I will deal with that. Actually, he brought in the Canadian Wheat Board; he brought in prairie farm assistance; and he brought in the Canadian Broadcasting Corporation. He did a lot for Canada, but because there was unemployment and he inherited a depression in Canada, he was played down like all the leaders of his time and was defeated. I am glad to put it on the record that a man from my town did all that. When I see these Liberals speak with great affection for the Canadian Wheat Board, the Canadian Broadcasting Corporation, the Prairie Farm Assistance Act, the Prairie Farm Rehabilitation Act, and the Bank of Canada, and they put their hands over their hearts with the great feeling that only Liberals can express, then I know that they have never understood history and cannot live with it. I am glad to stand here tonight, a member from the city of Calgary, and defend the man who inherited the depression from the Liberals. That is the truth, Mr. Speaker.

I have said we have had great Prime Ministers and I have explained the function of the opposition. We have had John A. Macdonald, William Lyon Mackenzie, Wilfrid Laurier, Mackenzie King, Arthur Meighen, R. B. Bennett, St. Laurent, Diefenbaker, Pearson. All those men made a contribution to this country and with one exception had to play the role of the opposition. That is what I am playing tonight. They were browbeaten, yelled at, heckled and belittled as I am because I dare stand on what I believe in for western Canada—our traditions and our history.

I was belittled the last time I made a speech particularly by the Minister of State (Small Business) (Mr. Marchand) who is from a very small town. He seems to believe there is nothing in the metric system that offends our history. Surveyors went out and created quarter sections, sections, townships, municipalities. They created roads and made their surveys over hill, valley, river and mountain. That was all done by people who believed that we could develop a great country and that great country is now the breadbasket of the world.

As a native son of Saskatchewan, a province of which I am so proud, I never thought the day would come that my adopted province of Alberta, because of the incentives given to those who wanted to explore and develop gas and oil, would establish us as one of the few nations in western world self-sufficient in oil and gas. I never thought I would see the day in Alberta in 1930 when, under an unusual government, they could not pay the interest on their bonds.

Mr. Kaplan: You are afraid to talk about metric.

Metric System

Mr. Woolliams: I am not afraid. I have made a speech on metric and now I want to give you a little of the history and tradition of the west and why we feel so deeply.

The day came when not only did we pay the interest on our bonds but we blew in Leduc No. 1 which was to make Canada self-sufficient in oil and gas. Today we have a surplus of natural gas. The Minister of Industry, Trade and Commerce (Mr. Chrétien) stood proudly in his place recently and said we could export natural gas to the United States because we had a surplus. That is the climate we have created in western Canada.

When it comes to hectares, as I said in my first speech on the subject, I only knew one "Hector" and that was a horse my grandfather had. I will not go into the details of what he did but that was the only Hector that was worthwhile.

In the land titles offices every person who owns an interest in oil and gas and every farmer who has land registered in his name without an encumbrance can transfer the title quite cheaply. That is the history and tradition that built the breadbasket of the world and built the area which supplies Canada with oil and energy to keep us self-sufficient. That is what this argument is about; that is what this debate is about.

• (2210)

Now I want to come back to the criticisms that have been levelled against us.

Some hon. Members: Oh, oh!

Mr. Woolliams: I appreciate that. I appreciate my friends; they are good friends of mine. They mean well, they are good people. Let me tell them what Mike Pearson said—I am sure hon. members opposite would not turn against him—when he dealt with the opposition.

An hon. Member: You don't have a leader now.

Mr. Woolliams: Is that not a strange thing? The Mafia is not my leader.

Some hon. Members: Oh, oh!

Mr. Woolliams: He wrote:

> If parliament is to be preserved as a living institution, His Majesty's Loyal Opposition must fearlessly perform its functions. When it properly discharges them the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities.

We have a majority government now. There is one thing about Alberta. They used to have no Liberals; now their Liberal caucus consists of one member. But remember, we are the minority. I understand my position.

An hon. Member: Oh, this really hurts!

Mr. Woolliams: It does not hurt me.

Mrs. Campagnolo: Then why have you been talking about it all day?

Mr. Woolliams: I have not been talking about it all day. You must have had a night dream.

An hon. Member: A nightmare.

Mr. Woolliams: There are nightmares and nightmares. But I do not intend to get off the track. Over the years when I have spoken, I have not digressed.

Some hon. Members: Hear, hear!

Mr. Woolliams: Anyone who levels that charge knows he is most insincere.

I will go back to what I was saying. What did Mr. Pearson say in that great speech about the opposition? He went on to say:

It should supervise all expenditures and prevent overexpenditure by exposing to the light of public opinion wasteful expenditures or worse.

Let me pause there. Can hon. members believe that in days when growth is just about zero, when we have almost one million unemployed, when we pour out money like the Social Crediters who are not in the House tonight, when we have the highest rate of inflation, the highest interest rates, the highest housing costs, the highest cost of living, the government brings out a bill on metric conversion! This great government!

An hon. Member: Shame!

Mr. Woolliams: This conversion will cost us another $500 million.

Mr. Paproski: That is only for starters.

Mr. Woolliams: The little businessman, the little business minister, or the minister with little business—whatever you want to call him—screws up his face, he is upset. Of course he is upset. He has to go back and talk to the people about the metric system. He has never sat in the opposition. He does not understand what we are up against with that great, powerful majority who stand together through thick and thin.

Some hon. Members: Hear, hear!

Mr. Woolliams: I would rather have a few members. I would rather have a few members of the Tory party who might walk across the floor, who might differ, because if I thought that I belonged to a party where everybody had to think alike, I would know there was no thinking at all.

An hon. Member: You could not do that anyway.

Mr. Woolliams: What is the function of the opposition? Why am I speaking tonight?

An hon. Member: Yes, why?

Mr. Woolliams: The opposition is to arouse, educate and mould public opinion by voice and by vote. The Minister without Portfolio (Mr. Horner) said to us in his private chambers and in his open way that he would fight this bill to death, but he was not here for the vote.

Some hon. Members: Shame!

Mr. Woolliams: The opposition must scrutinize every action of the government and in doing so prevent the shortcuts through democratic procedure which governments like to make.

Let me pause there for a few moments. Do hon. members know what 90 per cent of the law is about, whether it has to do with metric conversion or any other matter? Ninety per cent of our law is manufactured by order in council, by some unknown body. That is what this government is going to do to the farmers and the city people of western Canada and to the gas and oil industry. It is going to thrust and ram conversion through.

I call this parliamentary insemination. An hon. minister opposite shakes his head. He is the one who destroyed *Time* and *Reader's Digest*.

Some hon. Members: Order.

Mr. Woolliams: I feel sorry for him.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired, and there does not seem to be unanimous consent to allow the hon. member to continue.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, if I thought for a moment that my restraint and the restraint of my colleagues would permit this bill to progress any more rapidly, I would not have stood up, but we can see from the way the debate has deteriorated this will not happen. In the speech the hon. member for Calgary North (Mr. Woolliams) just completed he spent perhaps two minutes on metric conversion, and the rest of his time was spent on the rationalization of the joys of being in the opposition. I hope that is a joy the opposition will have for many years.

Some hon. Members: Hear, hear!

Mr. Kaplan: There is also a burning regret that hon. members opposite have lost a very good member, the Minister without Portfolio (Mr. Horner), to our side of the House.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, I wonder if the hon. member would answer a question.

Mr. Kaplan: I will answer the hon. member's question at the end of my remarks.

Mr. Woolliams: I hope the hon. member will answer before 10.30.

Mr. Kaplan: After the demonstration of how clever the hon. member opposite is, I am not certain whether I can answer his question, but I will certainly try.

What I want to do is put an historical perspective on metric conversion. This is not the first metric conversion Conservatives in this country have opposed. As the hon. member began to mention, 120 years ago this country abandoned farthings, shillings, pence, crowns, pounds and guineas. That was done in the face of a tremendous amount of opposition by Conservatives in this country. Many arguments were made. It was argued that if we were to go to metric money, that would be the end of this country; there would never be an adjustment to it, it would be a festering sore and it would adversely affect commerce. Let us not have the argument of the Conservatives of those days. They said we should not have decimal currency. That was the hue and cry of Conservatives of those days.

I tried to find in the library this evening some of the fabulous arguments which were made in those days about Canada's metric conversion of 1858 because I know 100 years from now, when students of the subject look back at this debate, and particularly at the remarks of the hon. member for Calgary North, they will put his argument in the same box with the arguments which were made about Canada's conversion to metric money 120 years ago. I cannot document facts because the archives part of the library is locked up, but there were three main arguments. Only one of them had any merit. The first argument was that if we convert to decimal currency we will be eaten up by the United States because they have decimal money.

• (2220)

Mr. Knowles (Winnipeg North Centre): Well?

Mr. Kaplan: The hon. member says, well? I say, 120 proud years of independence since that critically monumental decision speak for themselves. We were not eaten up by the United States. Argument number one was baloney.

Argument number two was this: If we convert to decimal money, we will alienate the United Kingdom and our relations with the United Kingdom will be disturbed. Actually, the legislation we sent to Britain was overruled. The British lords of the treasury would not accept Canadian decimal currency conversion. They wanted us to preserve the glorious British tradition of money, ranging from pence to guineas. Mr. Speaker, we have maintained warm relations with the United Kingdom. We belong to the great Commonwealth of Nations. Therefore, argument number two also turned out to be baloney.

Argument number three, which was repeated in editorials from one end of the country to the other, letters to the editor, and speeches in this country's legislatures, was this: We cannot adopt the decimal currency, because you cannot divide the dollar evenly by seven. That is true, you cannot. You can divide the guinea evenly by seven. There was tremendous hue and cry about the damage we could cause this country's commerce if we were to adopt a decimal currency which you could not divide evenly by seven. After all, the week has seven days. It was inferred from that fact that if our unit of currency could not be readily divisible by seven, the commerce of this country would end. The arithmetic is right, but history has again proved the tremendous advantage of adopting a simple, universal, decimal currency.

Without doubt, events will soon prove, as we adopt the metric system and so integrate our measuring system with that of many other countries of the world, that this government's approach was correct. Its approach has taken a great deal of courage. Actually, I am surprised to note that in some parts of the country courage is necessary in order to bring about conversion. I suggest that in a few years all the arguments which have been made by the opposition will end up on the same shelf of comic history to which has been relegated all the arguments against the adoption of a decimal currency.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I listened with interest to the hon. member for York Centre (Mr. Kaplan) who apparently went to the library to do some research.

Mr. Guay (St. Boniface): It was closed.

Mr. Baker (Grenville-Carleton): So is his mind.

Mr. Neil: Apparently he was able to gather some information although, obviously, he does not understand what we are debating this evening. I do not think he has been in the House listening to the debate. He suggests the Official Opposition opposes the metric system, and has gone back some 100 years to support his argument. He will see if he reads *Hansard* that we, on my side of the House, do not oppose metric conversion, per se, but we do oppose metric conversion as it affects the farmer of western Canada.

An hon. Member: We oppose conversion without consultation.

Mr. Baker (Grenville-Carleton): That is why I say the hon. member's speech was all distortion.

Mr. Neil: Obviously, he has not been to western Canada and neither he nor other members on his side have talked to farmers; otherwise, he would have heard what the farmers had to say and we would not be here tonight debating this bill. Because I suggest the government would have withdrawn the offending clauses of the bill.

I have lost count of how many times I have spoken in this House on the metric system and on this metric bill, but it is important to each and every individual residing on the prairies. They are concerned about acres, quarter sections, half sections and sections. When the hon. member for Calgary North (Mr. Woolliams) was speaking, the minister responsible for piloting this bill through the House asked "What's an acre?". I could not understand what he meant when he said that.

Mr. Marchand: Mr. Speaker, I rise on a point of order. I asked the hon. member for Calgary North (Mr. Woolliams) a very open kind of question. If you read Webster's dictionary and look at the definition of an acre, you will see that an acre is really 43,560 feet. It started out as the amount of land a person could plough in a day with a team of oxen.

Mr. Neil: That is very interesting.

Metric System

Mr. Woolliams: Mr. Speaker, I rise on the point of order. The minister is talking about the amount of land a person can plough. If he reads the book on western Canada written by Mr. Toms, Q.C. in 1912, he will find out how an acre, quarter section, section, township and county were devised. If he wants to be illiterate, that is his privilege.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. It seems that the point of order was more a point of clarification and is now becoming a point of disagreement. We will come back to the hon. member for Moose Jaw.

Mr. Neil: Mr. Speaker, I appreciate the clarification given by the minister as to what is an acre, the amount of land that a man can plough in one day with two oxen. However, I would point out that oxen have not been used in the west for many years. We have tractors now. May I call it 10.30, Mr. Speaker?

Mr. Deputy Speaker: It being 10.30, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 10.30 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, June 15, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

EFFECT OF ALLEGED OVERSTATEMENT OF REVENUES ON PROFIT POSITION—MOTION UNDER S.O. 43

Mr. Don Mazankowski (Vegreville): Mr. Speaker, under the provisions of Standing Order 43, I ask unanimous consent—

Some hon. Members: Hear, hear!

An hon. Member: The latest convert is taking his seat!

Mr. Mazankowski: We can only hope that the hon. member will find similar support from the Liberal Association of Hochelaga.

Some hon. Members: Oh, oh!

An hon. Member: Some of that applause came from your leader.

Mr. Mazankowski: I guess that's right and it did come from my leader. And I am very proud of him, too.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: A rat going to a sinking ship.

Mr. Mazankowski: Mr. Speaker, under the provisions of Standing Order 43 I seek the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the latest annual report of the CNR which states that Canadian National earned its first overall profit in 20 years in 1976, and in view of the allegation that CNR has made a miscalculation of more than $20 million in the determination of its subsidies to be received from the Canadian Transport Commission under the provisions of the Railway Act, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Transport make a statement on motions to confirm and explain this discrepancy and, furthermore, to state what impact, if any, the over-calculation of revenues will have on the CNR's 1976 and 1977 revenue and profit status.

Mr. Speaker: Pursuant to Standing Order 43, the motion requires the unanimous consent of the House before it can be presented. Is there such consent?

Some hon. Members: No!

* * *

SOCIAL SECURITY

REQUEST FOR MEASURES TO IMPROVE SITUATION OF WORKING POOR—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a matter of urgency I ask consent to move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House, noting the findings of the National Council of Welfare in two reports issued this month that over half a million Canadian families, including more than one and a half million persons, are trying to live on incomes from employment that are hundreds or thousands of dollars below the poverty line, and noting the Council's declaration that "the working poor have been ignored too long", calls on the government to introduce without further delay (a) a guaranteed annual income program, (b) other measures to meet the needs of the working poor, and (c) a substantial improvement in the Canada Pension Plan to guarantee to every worker a secure retirement, as urgently recommended by the National Council of Welfare.

● (1410)

Mr. Speaker: Pursuant to Standing Order 43 the presentation for debate of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

PROPOSED REFERENCE TO COMMITTEE OF REPORT OF ONTARIO COMMISSION ON VIOLENCE IN COMMUNICATIONS INDUSTRY—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Today the Ontario royal commission on violence in the communications industry released its findings, the principal one being that there was, according to the commissioner, a direct link between the increase in violent crime on the streets and violence on television. In view of the fact that most of the recommendations of the commissioner are addressed to the government of Canada and are in fact within federal jurisdiction, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

Garrison Diversion

That the report of the Ontario royal commission on violence in the communications industry be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: Presentation of such a motion for debate under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

RECOMMENDED OBSERVANCE OF PROVISIONS OF HELSINKI AGREEMENT AND OTHER COVENANTS ON HUMAN RIGHTS—MOTION UNDER S.O. 43

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I rise under the provisions of Standing Order 43 seeking unanimous consent on an urgent and pressing matter. In view of the opening today of the Belgrade conference on the Helsinki Final Act, I move, seconded by the hon. member for Ottawa West (Mr. Francis):

That this House urges the signatory countries to faithfully observe human rights and related international covenants and expresses the concern of Canadians at repression and persecution of peoples seeking to enjoy fundamental freedoms.

Some hon. Members: Hear, hear!

Mr. Speaker: According to Standing Order 43 presentation for debate of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

REQUEST THAT UNITED STATES IMPOSE MORATORIUM ON GARRISON DIVERSION PROJECT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. My motion is prompted by the fact that yesterday the United States house of representatives ignored the first report of the International Joint Commission on the Garrison diversion project when they gave approval to an appropriations bill which included $18.6 million for the Garrison diversion project, including money for the Lonetree reservoir whose waters will have a serious effect on Manitoba: that this bill was approved even though the report of the International Joint Commission has not been completed; and in light of the fact that President Carter supports the Canadian position. I therefore move, seconded by the hon. member for Provencher (Mr. Epp):

[Mr. McGrath.]

That this House instruct the Secretary of State for External Affairs to make strong representations to the government of the United States to put an immediate moratorium on the Garrison diversion project until the International Joint Commission report is complete, and that he respectfully request President Carter to veto funds for the project.

Mr. Speaker: Such a motion can be presented for debate pursuant to Standing Order 43 only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

INQUIRY AS TO WHEREABOUTS OF FIVE DRAGONS—POSSIBLE RETENTION OF LANDED IMMIGRANT STATUS UPON RETURN TO CANADA

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my questions are again on the subject on which the government refuses to have an inquiry and relate to the means for meeting the threat posed by organized crime in Canada. My first question is directed to the Minister of Manpower and Immigration. Since the individuals referred to as the Five Dragons enjoy status as landed immigrants in Canada, can the Minister of Manpower and Immigration tell the House whether the minister or the department knows the present exact whereabouts of the Five Dragons; and can he confirm that one or more of them have left the country?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, adopting the nomenclature of the Leader of the Opposition, our information on the Five Dragons is that four of them are not in the country and are believed to be probably in Taiwan. I might say that with regard to the allegations of corruption in Hong Kong a commission was in fact set up in 1974. Two of these five individuals came to Canada in 1967, two in 1968 and one in 1973, prior to the allegations of corruption in the police force.

Mr. Clark: Mr. Speaker, the minister has confirmed that at least four of these individuals are now out of the country. Is it the intention of the government, if they return to this country, that they will retain their landed immigrant status?

Mr. Cullen: Mr. Speaker, under the law of the land, as it presently exists, an individual establishes a domicile or a landed immigrant status. One of the "Perqs" that goes with this is that he has the right to move inside and outside the country. This is a matter we expect to be looking at on an individual basis. We have set up the immigration lookout system, and we will have to predetermine what action, if any, we can take against these individuals.

I see the hon. member for Kingston and the Islands is laughing. We have the laws of the land and we say to people—

Miss MacDonald: We are laughing at you.

Mr. Cullen: —if you take out landed immigrant status and establish a domicile in Canada, you have certain "Perqs" rights, and privileges which the laws of the land allow.

Mr. Baker (Grenville-Carleton): Just answer the question.

Mr. Cullen: If you do not want to follow those laws but be selective, well and good.

Mr. Clark: Will the minister now tell us whether that privilege of landed immigrant status will be maintained for these individuals who are now out of the country, if they come back to this country? Yes or no?

Some hon. Members: Hear, hear!

Mr. Clark: Will it or will it not be?

Mr. Cullen: Mr. Speaker, we wonder if the hon. Leader of the Opposition wants one set of laws for one group of individuals—

Mr. Baker (Grenville-Carleton): Just answer the question.

Mr. Cullen: We tell individuals, when they come to this country and make application for a landed immigrant status and get it, that there are certain protections which are afforded them. Those are universally applied across the board. I have said to the hon. member that we will look at the situation if they try to get back as to what action, if any, can be taken against them. It should be pointed out for the benefit of hundreds of thousands of landed immigrants that once they get that status in Canada they receive the protection of the laws of this land.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, it is precisely to ensure some security and peace of mind among the thousands of Canadians with that status and the thousands of Canadians of the Chinese and Italian communities in Canada that we want to have a public inquiry which will identify and prosecute those individuals who are guilty of wrongdoing.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

POSSIBILITY OF CRIMINAL CHARGES AGAINST FIVE DRAGONS PRIOR TO GRANTING OF LANDED IMMIGRANT STATUS

Mr. Joe Clark (Leader of the Opposition): The minister has been very careful in his answers relative to the status of the members of the group known as Five Dragons when they came to Canada. Yesterday he said that they had not been convicted of any crime when they were admitted to Canada. Today he said that one commission was not put into place until after the admission into this country of the Five Dragons. I would like to know from the minister whether there was any charge from any commission in Hong Kong or any public suspicion of illegal activity against any of these individuals, at the time they were granted admission to this country, and if so, why were they granted that admission under those circumstances?

Some hon. Members: Hear, hear!

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, as I have indicated, four of the five individuals came into this country in 1967-68 long before any allegations of illegality and corruption were made. The usual checks were made. The usual questions were asked as to criminal activity and the usual background information was secured. They had not been charged with any offence, nor were any charges pending, and they qualified under the landed immigrant point system which was in place at that time. It is great for the hon. member to have the value of hindsight, but I would ask him how he would have dealt with the situation seven or eight years ago.

Mr. Clark: Mr. Speaker, is the minister telling us that there were no charges or no allegations of any kind against any of these individuals, at the time they were admitted into Canada? Is that what he is telling us?

Mr. Cullen: Mr. Speaker, I wonder if the hon. member is talking about charges, charges pending or innuendo.

Mr. Hees: Charges.

Mr. Hnatyshyn: Just like in law school.

Mr. Cullen: The hon. Leader of the Opposition supposedly asked a serious question. I do not know why his members will not wait for the answer instead of all the cat-calls. I have indicated to the hon. member that there were no charges pending and that these individuals had not committed any offence. If he is referring to allegations or innuendos which might have arisen, those would have been checked out. The information we have is that they applied in 1967-68—

Mr. Baker (Grenville-Carleton): Were there any charges?

Mr. Cullen: —and these individuals got landed immigrant status under the point system quite legitimately.

* * *

● (1420)

ADMINISTRATION OF JUSTICE

REQUEST FOR REPORT ON POLICEMEN WHO FLED HONG KONG

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Justice. I remind the House that the matter I originally raised in February, 1976 concerned 12 policemen who fled from Hong Kong, not only the Five Dragons. Since the Solicitor General was unable to answer my question yesterday—in all fairness he was not Solicitor Gener-

al in 1976—I ask the Minister of Justice who, in his response yesterday, acknowledged the existence of a report from his department which he did not have in front of him, if he has now a chance to review that report, and has he a report to make to the House?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, not further to what I said yesterday—

Mr. Hees: What have you been doing in the last 24 hours?

Mr. Basford: —which was a paraphrase of the report I had at that time, saying there were in Canada a number of ex-Hong Kong policemen who apparently had received in the normal way landed immigrant status—

Mr. Epp: What do you mean by "normal way"?

Mr. Basford: —that some were subsequently named in a royal commission in Hong Kong relating to corruption in the police force; that we at that time had not received but expected to receive applications for extradition, one of which has been received. We fully co-operated in the process of that extradition.

ORGANIZED CRIME—REASON FOR DESIRING NEW WIRETAPPING PROVISIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am astonished that the minister, considering the seriousness of the subject before the House, would not have wanted to refer to his report instead of relying on his recollection as he did yesterday. Yesterday he talked of the necessity of having the new provisions of Bill C-51 passed. Why does the Minister of Justice feel the new provisions of Bill C-51 are so necessary, when it is obvious the police were able to obtain all the information aired on the CBC program under existing legislation, thus showing that we do not need wider powers for wiretapping but better enforcement of existing laws?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the hon. member obviously and genuinely misunderstood my reply. Yesterday I did not have the report to which he referred. I have since read the report to which I referred; my recollection of that report was correct and therefore I really have nothing to add today. With regard to his question, it has been made clear that most of the evidence the CBC used in its program was obtained from testimony and evidence put before the Quebec crime inquiry. Most of it was electronic evidence, wiretap evidence, and most of it was obtained before we had laws in this country prohibiting wiretapping. That is why the CBC was able to have that public information, most of which was obtained by wiretap and much of which would not be authorized today.

[Mr. Clarke.]

IMMIGRATION

KNOWLEDGE OF RCMP LIAISON OFFICER IN HONG KONG OF ALLEGATIONS AGAINST FIVE DRAGONS PRIOR TO ENTRY INTO CANADA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration? I remind him we are not asking if the laws of the land have been broken; we are asking if our laws or officials were subverted by people coming into this country. The minister said yesterday and today that allegations against the Five Dragons, and possibly others, had been made and officials were aware of those allegations. My question specifically concerns the RCMP liaison officer posted in Hong Kong. Is the minister saying today that the RCMP liaison officer in Hong Kong was not aware of allegations against the Five Dragons before any of them came to Canada?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, the hon. member can hardly expect me to comment on what may or may not have been in the mind of the RCMP's liaison officer in Hong Kong, but I would say this: Those individuals were admitted under our standard procedures for admitting individuals to Canada. They had gone through the points system; they had in fact been successful, and they were landed immigrants. If there was anything of that nature in the knowledge of the RCMP officer, I would assume that the RCMP officer would have brought that to the attention of our immigration officer.

REASON FOR FAILURE TO ACT AGAINST ONE OF FIVE DRAGONS UNDER SECTION 18(5)(K) OF ACT

Mr. Stuart Leggatt (New Westminster): In view of the minister's answer, I trust he will now check with regard to the information that any RCMP liaison officer in Hong Kong may have had and also check whether that information was passed on to any member of our Canadian immigration service and will provide us with an answer at a later date.

The minister, in answer to a question from the Leader of the Opposition, indicated that the last person came in in 1973. That is within a period of five years, and under section 18(5)(k), five years is the period set forth which should not have elapsed in terms of the disallowance of persons coming into this country who are likely to have committed some offence, particularly under the Narcotics Control Act. I will not quote the whole section, but I would like the minister to say why no action was taken under that section of the Immigration Act since the minister has clearly admitted in the House today that at least one of the Five Dragons came in within the last five years.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I have to check the specific reference. My information is that the individual Hon Kwing Shum is the one currently residing in Canada. He was the one who landed in 1973. I will check out his particular status—I do not have it in

the report, or at least I cannot find it in the report—but I will check it out in keeping with the hon. member's question.

POSSIBILITY OF INTERCESSION BY BANKS ON BEHALF OF FIVE DRAGONS

Mr. Stuart Leggatt (New Westminster): The *China Post* of Hong Kong has indicated that the net worth of Lui Luk, one of the Five Dragons, is some $500 million. I wonder if the minister could advise us, in view of the fact that he has now had an opportunity to examine the record, to examine the circumstances, whether any banking official in Canada or any other place interceded on behalf of any of the Five Dragons to encourage their immigration to this country?

Hon. Bud Cullen (Minister of Manpower and Immigration): If they were bringing in that kind of money, one has to be a little wary about allegations made in the press. The information I have is that the Five Dragons—to use the phraseology we are using here—who were admitted as immigrants revealed that their declared assets ranged from $53,000 to $341,000, hardly the millions referred to by the CBC or in the newspaper article.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

AGRICULTURE

INQUIRY AS TO MEASURES TO PROTECT CHICKEN PRODUCERS

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

Yesterday, during the question period, I advised the Minister of Finance of the serious concern of the Canadian poultry producers about the massive poultry imports into Canada from the United States. In his reply, the minister said this, and I quote:

Mr. Speaker, I take the question as notice for my colleague and I will ask him to answer the hon. member.

In view of the seriousness of the matter, although only 24 hours have elapsed since then, as transportation is very swift and trucks are coming in fully loaded causing the producers even greater alarm today, can the minister tell the House whether in fact he has advised his colleague of the situation, and can he tell the House today what steps will be taken to improve the lot of poultry producers and also to protect their industry?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I said yesterday, the Minister of Agriculture is aware of the situation and I believe he will be in a position to make a statement on the matter within a few days.

Mr. Lambert (Bellechasse): Mr. Speaker, I should have liked to put a question to the Parliamentary Secretary to the Minister of Agriculture who was in the House just a few moments ago. Since he is absent from the House now, with your permission, may I be given the floor before the end of the question period, in order to put to him that most important question?

Mr. Macdonald (Rosedale): Mr. Speaker, I am advised by my colleagues that the Minister of Agriculture made his statement last night.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker.

* * *

● (1430)

[*English*]

FINANCE

SUGGESTED MONITORING OF FUNDS TRANSFERRED TO OR FROM CANADA TO IDENTIFY MONEY FROM ORGANIZED CRIMINALS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Finance with reference to some of the increasing activities of organized crime. Without getting into currency control in the usually accepted definition, has the minister considered exploring the feasability of some sort of monitoring of funds which may be transferred to or from our country with the object of attempting to identify underworld or mob money which may be transferred for the purposes of laundering or investment in illicit enterprises? I think the minister would agree that even with our deficit position we do not want that kind of foreign investment, even if Lui Luk does have $500 million.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, first I would like to say to the hon. gentleman that I appreciate his bringing to my attention his intention to ask this question. I agree with the final statement the hon. gentleman has made. Without having had an opportunity to consider this very much further I think the real risk would be that we would have to monitor all private transactions and all private transfers of capital between Canada and other countries for the purpose of securing this information. As the hon. member knows, the government has not involved itself in investigating the capital transactions of all Canadians or of all persons bringing money into this country. I think that the impact on the private sector of attempting to do this would require some very careful consideration, even though the purpose the hon. gentleman suggests is a laudible one.

Mr. MacKay: Mr. Speaker, I appreciate the minister's answer, and I am wondering if he would consider the feasability of consulting some financial institutions to seek their co-operation, on a voluntary basis, in attempting to be extremely vigilant, and perhaps in reporting any attempts that they could discern in order to frustrate or to foil transfers of underworld funds which it might be considered are coming in for this purpose. Could the minister give us that undertaking?

Mr. Macdonald (Rosedale): Mr. Speaker, I certainly would be prepared to consider that.

* * *

IMMIGRATION

INQUIRY WHETHER MINISTER ASKED TO CHECK BACKGROUND OF FIVE DRAGONS AFTER MAY 7, 1976

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration and refer to a letter from the Minister of Justice to the hon. member for Vancouver Quadra dated May 7, 1976 in which the minister indicates that "There is not any evidence of criminal offences committed in Canada" by the so-called Five Dragons. After the minister wrote that letter was the Minister of Manpower and Immigration asked to check further into the background of the Five Dragons, especially in view of the fact that they had been given landed immigrant status and under the terms of the Immigration Act landed immigrant status can be withdrawn if persons are engaged in criminal activity or might be engaged in criminal activity?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I am sorry, I did not quite follow the hon. member's question. Did he indicate that a letter was sent by the former minister of justice to the former minister of manpower and immigration?

Mr. Epp: The present Minister of Justice.

Mr. Cullen: Perhaps the hon. member can repeat his question so that I can get it straight.

Mr. Epp: In a letter dated May 7, 1976 the present Minister of Justice indicated to the hon. member for Vancouver Quadra that, and I quote: "There is not any evidence of criminal offences committed in Canada." He was referring to the Five Dragons. After the Minister of Justice wrote to the hon. member for Vancouver Quadra was the Minister of Manpower and Immigration asked to do a further check on the background of the Five Dragons, especially in view of the fact that they had landed immigrant status and under the terms of the Immigration Act the minister has the power to withdraw that status if persons are known to engage in criminal activity?

Mr. Cullen: Mr. Speaker, I would want to check on the details of that, but I believe that the information given at that time by the Minister of Justice was probably furnished by the minister of manpower and immigration of the day, in other words, prior to the information being given to the hon. member for Vancouver Quadra. However, I would have to check that out. I do not have information on that today.

ALLEGATIONS AGAINST DEPARTMENTAL PERSONNEL— REQUEST FOR REPORT

Mr. Jake Epp (Provencher): Mr. Speaker, that is astounding because this matter was raised yesterday. The minister has had another 24 hours, and he again says he will check. In view of the allegations which have been made, namely, that individual members of the Department of Manpower and Immigration had been subverted by persons who wanted to get other persons into Canada, and in view of the minister's undertaking yesterday, has he carried out an investigation in his department, has he questioned persons whose names were mentioned as having involvement with criminals, and what is the evidence he can now give to this House?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member is playing pretty freely with the word "allegation" when referring to individuals in the department being subverted. One person I remember being mentioned was an officer of the PM-2 category. In any event, the way these individuals came, as I understand it, that person would have had nothing to do with their applications for landed immigrant status because all that would have been handled abroad. That officer would not have been in a position to do anything in so far as applications were concerned. However, needless to say when allegations of this nature are made, we conduct investigations, but we could not in the first instance determine that the individual named had done anything or had been in a position to do anything to aid those five individuals.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF INFILTRATION BY ORGANIZED CRIMINALS— GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Solicitor General. In view of the very serious allegations raised in the CBC documentary on Monday night regarding the infiltration of the RCMP by organized criminal elements and allegations of potential collusion in the drug trafficking trade on the west coast, and in view of the responsibility of the Solicitor General to protect the integrity and the good name of the RCMP, of which all Canadians are justly proud, will the Solicitor General take advantage of the question period today to state precisely what he intends to do about this? Has he ordered an investigation? Has he ordered a transcript of the program and had consultations with the producers?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am not quite sure whether the hon. member was in the House yesterday, but I tried to deal with the matter he is raising, which I think is a very important matter. As a matter of fact, while I tried to explain the allegations against members of the RCMP, some of the hon. member's colleagues tried to drown me out to prevent me from trying to address the allegations that had been made. If the hon. member would care to read the answer I gave to the questions yesterday, he would see that one of the RCMP members against whom allegations were made is still a very valued member of the RCMP drug squad in Vancouver. However, apparently the CBC decided to

believe the innuendoes and accusations brought against this member by members of the underworld in Vancouver rather than the version the officers of the force gave.

Mr. McGrath: Mr. Speaker, I listened very carefully to the minister yesterday, and he did not deal with this question. In view of these serious allegations regarding possible collusion with criminal elements in drug trafficking on the west coast and possible infiltration of the RCMP, does the minister intend as Solicitor General to conduct an investigation into these very serious charges to clear the good name of the RCMP?

Mr. Fox: Mr. Speaker, we on this side of the House feel that there is no need to clear the good name of the RCMP because the RCMP has a good name.

Some hon. Members: Hear, hear!

Mr. Fox: The RCMP is extremely concerned—as any other police force would be—about the possibility of infiltration, and any allegations to that effect are indeed investigated very seriously by the force. However, up to now the RCMP has been unable to substantiate, following its own internal investigations, any allegations made against members of the force.

Mr. McGrath: Mr. Speaker, is the Solicitor General, on his own initiative, prepared to contact the producers of that CBC program to ask them to produce any evidence they may have to substantiate these allegations?

Mr. Fox: Mr. Speaker, I am informed by the RCMP that the producers of the program were indeed interviewed by some members of the RCMP. They were asked to indicate the sources of these allegations. It turned out that the sources they had were apparently the same sources that the RCMP had investigated following allegations which had been made, once again by underworld elements in the Vancouver city area, in an obvious effort to discredit the force. After the explanation that the RCMP gave to the producers of the CBC, my information is that the CBC decided to produce the show notwithstanding.

* * *

● (1440)

ANTI-INFLATION PROGRAM

ALLEGEDLY EXCESSIVE SALARY INCREASES—GOVERNMENT ACTION TO CURTAIL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of Finance and concerns rough justice. Is the minister aware that in 1976, according to the American Securities and Exchange Commission, 51 Canadian executives representing more than 25 companies received salary increases of up to $60,000 and as high as 70 per cent over the previous year in the controls program? If he is aware of these totally unfair increases for the rich at a time when the more than 1½ million Canadians living at the poverty level are restricted to the $2,400 increase, can he tell the House if he has ordered immediate rollbacks?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman has not realized this was the subject matter of discussion in the House some weeks ago at which time I indicated I had contacted the Anti-Inflation Board and the board had indicated in a number of cases the increases were related to averaging in the executive group and in other cases to contracts which had been entered into prior to the imposition of the anti-inflation program. As the hon. member knows, contracts which preceded the program are not covered by the regulations. I have, however, indicated—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Apparently the hon. member's colleagues are reluctant to hear a response. I have indicated to the board that given the amount of the increases it would be desirable for the board to re-examine the rules upon which it considered these particular increases in the light of the restraints imposed upon others in the community.

Mr. Broadbent: A supplementary question. I was listening to the response and indeed wished I had not heard what I did. The cases I have just referred to the minister are not the ones that were raised in the House some weeks ago. This is a new set of executives who are getting salary increases in the neighbourhood of $60,000. It is not the same case list. I should like to ask the minister if the government, in its profound concern with rough justice, discovers that Canadians can get $60,000 increases while those at the poverty level get much less under the controls program, will it take immediate action to change the regulations so that the rich can operate with the same set of rules as the poor?

Mr. Macdonald (Rosedale): Mr. Speaker, I really have responded to the question already. I point out to the hon. gentleman that we have asked the board to re-examine these particular increases. I must say I find it a little surprising to hear this coming from the hon. gentleman who has advocated the total removal of controls.

Mr. Broadbent: Mr. Speaker, the minister knows very well that we would like to get rid of the controls program precisely because of these inequities in salary arrangements that give one set of increases to the rich and another to the poor. Short of total removal of this program, which we would like to see, would the minister at least correct this obvious and glaring injustice so that everyone in Canada will be held down to the $2,400 per year increase as long as one Canadian is held down to that level?

Mr. Macdonald (Rosedale): Mr. Speaker, I have already said twice to the hon. gentleman that that is exactly what we have asked the board to consider.

[*Translation*]

COMMUNICATIONS

METHODS TO BE ADOPTED TO PROTECT FREEDOM OF SPEECH

Mr. Yvon Pinard (Drummond): Mr. Speaker, my question is for the Minister of Communications.

If need be, what specific means does the minister intend to use to reaffirm and prove clearly the intention of her department to comply with the legislation and the determination of this government to encourage the freedom of speech in Canada?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I think that the hon. member refers to the discussions that were held last weekend concerning Bill C-43. I must say that anybody reading carefully Bill C-43 can in no way construe it as a threat to the freedom of speech. As a matter of fact, this is the conclusion expressed by one of the experts invited to attend the Vigilance Day who is the vice-dean of the law faculty at the University of Montreal.

The parts of the bill which are questioned here are clauses 4(2) and 5(2): These clauses are intended to provide that the law does apply to the authority of the federal Parliament, and that the practice of exempting federal departments and provinces from paying for the costs involved in the operation of the microwave system is indeed maintained. That is the reason for these two clauses. Clauses 4(2) and 5(2) cannot be read without taking into consideration clause 9(2) which says very precisely and clearly that no provision in this legislation—none is none—can encroach upon the freedom of speech, among other things.

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[*English*]

IMMIGRATION

CONFLICTING STATEMENTS REGARDING POSSIBILITY OF CRIMINAL CHARGES AGAINST FIVE DRAGONS PRIOR TO GRANTING LANDED IMMIGRANT STATUS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. I should like to refer to a reply he gave to an earlier question in which he stated that to his knowledge there were no charges pending against certain individuals from Hong Kong who were earlier granted landed immigrant status. I refer as well to a response given by the Minister of Justice yesterday reported at page 6646 of *Hansard* in which he said:

However, as I recall it, those individuals that were mentioned were legally landed knowing that there were royal commissions under way in Hong Kong which might result in reports being made against some of them—

I should like to ask the minister how he reconciles his statement today with what the Minister of Justice said yesterday. Is he or his department in the habit of granting landed immigrant status to individuals who were under investigation by a royal commission in another country?

[Mr. Macdonald (Rosedale).]

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I gave the House the dates involved. Two of the four individuals entered in 1967 and another two in 1968 with the fifth arriving in 1973. That is a matter of record, and the particular commission was set up to look into corruption in 1974.

Miss MacDonald: A supplementary question, Mr. Speaker. Has the minister consulted with his colleague the Minister of Justice to find out which individuals that minister referred to when he said that certain individuals were admitted knowing a royal commission was underway which might result in their being named? Has he consulted with the Minister of Justice as to whom he was referring?

Mr. Cullen: No, I have not, Mr. Speaker.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATION PREMATURE DISCLOSURE OF FACTS ABOUT ORGANIZED CRIME DESTROYED CASE AGAINST INDIVIDUALS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Solicitor General. It relates to the allegation he made outside the House yesterday that the premature disclosure of certain allegations or perhaps even certain evidence regarding some individuals allegedly involved in organized crime in this country and the buildup of the police case against these individuals, was absolutely destroyed because of that premature disclosure. So that we can properly evaluate the minister's charge and because it is all hanging out anyway, would he be good enough to detail for us what that evidence was, who the individuals were and what the charges were about?

Hon. Francis Fox (Solicitor General): Mr. Speaker, if the hon. member cares to remain for the rest of the afternoon, I understand there is a motion to be put forward by the opposition concerning the establishment of a royal coommission inquiry into crime in Canada. I will be speaking during the course of that debate when I will make my views known to the House in complete detail, far more completely than I could at this moment.

ALLEGATION TORONTO WORLD CENTRE FOR PRODUCTION OF ILLICIT NARCOTICS—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Solicitor General. Can the minister provide any information to the House about the allegation made by the CBC of illegal production of narcotics in Toronto or indeed any other Canadian cities? In particular can he confirm that Toronto is a world centre for production of illicit drugs?

Hon. Francis Fox (Solicitor General): It is my understanding, Mr. Speaker, that much of the CBC documentary was based on successful police investigations. Of course, if I look at what the RCMP has been doing either independently or in

joint force operations over the past three years, I find there have been more than 22 illicit laboratories closed in that period by the RCMP, some of which were in the Toronto area.

Mr. Yewchuk: A supplementary question. In view of the allegation made by the CBC documentary that Toronto is a world centre for production of illicit drugs, is the minister satisfied with the current controls over drug production for this country and if not, what legislative or administrative changes is he proposing, if any, to counteract the alleged illicit drug production activity?

● (1450)

Mr. Fox: Mr. Speaker, the Minister of Justice dealt with this question at length in the past few days as to what the government's response has been to that problem. Bill C-51 is presently before the House. We hope that all hon. members will want to take their responsibility of helping the police gain additional methods, tools and techniques to combat organized crime and other facts of criminal activity in this country.

PERCENTAGE OF ILLICIT DRUG LABORATORIES CLOSED AS RESULT OF WIRETAPPING

Mr. Paul Yewchuk (Athabasca): In view of the minister's claim that the wiretapping bill is necessary, will he indicate what percentage of the 21 laboratories which were closed down were convicted because of wiretapping activities by the RCMP?

Hon. Francis Fox (Solicitor General): Mr. Speaker, this is a matter I will be dealing with during the course of my statement. The hon. member for Calgary North has a number of times indicated there were only 13 convictions which resulted out of wiretappings in this country in 1976. That, as I pointed out in my speech on second reading of Bill C-51, is inaccurate and incomplete information. I hope to have the opportunity to set the record straight once again this afternoon. I hope the hon. member for Calgary North will pay some attention to the real statistics this time.

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[*Translation*]

INDUSTRY

POSSIBILITY OF ASSISTANCE TO FURNITURE MANUFACTURERS IN QUEBEC—MINISTER'S POSITION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

On June 7 last, the minister told me that he was willing to appoint one of his officials to deal especially with the furniture problem in the Bois-Franc area. Since then, the plants of Victoriaville Specialities Co. Limited, Victoriaville Upholstering Limited, Poly Design, Dubo meubles and Victoriaville Furniture Limited have systematically announced that their business would be closing before July 1. The minister having stated also that he was waiting for a report from the Quebec Furniture Manufacturers' Association, is he in a position to tell us now whether he has received that report and if he has some proposals to make to assist more particularly the furniture industry in Quebec?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been advised that I would receive within ten days the report prepared by the officials of my department in co-operation with the Quebec Furniture Manufacturers' Association. As for the official to whom I referred, I am told that a departmental official is constantly in communication with the manufacturers' association and takes note of all demands.

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

Given the more than tragic situation faced by workers in those plants, could the minister ask his official to contact officials of the Bank Canadian National who are very concerned at the prospect of that plant and other related plants closing down, to review the situation of those plants?

Mr. Chrétien: Mr. Speaker, I shall pass the hon. member's suggestion on to my officials.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST THAT UNITED STATES IMPOSE MORATORIUM ON GARRISON DIVERSION PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the fact that the United States House of Representatives yesterday gave approval to an appropriations bill which included $18.6 million for the Garrison diversion project, including money for the Lonetree reservoir whose waters will have a serious effect on Manitoba, will the government urge the U.S. government to put an immediate moratorium on the Garrison diversion project until the report of the IJC is complete, and will the government respectfully request President Carter to veto funds for the Garrison project in light of his support for the Canadian position?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, we have already made the kind of representations the hon. member is now requesting. This has been done on several occasions. Our embassy in Washington is in constant touch with this and related questions. I am not sure that any new instruction is needed for them to state the Canadian position, which is quite unequivocal. In so far as a request to the President with regard to veto, I do not feel in the circumstances that it would be appropriate for us to advise the head of another government in that connection. However, I can report to the House that the information we have is that it is President Carter's intention to impose such a veto, but that

is on the basis of his own judgment rather than any recent representations from us.

Mr. McKenzie: Mr. Speaker, the United States is ignoring our requests as well as the first report of the IJC, proceeding with more funds for the project which will affect Manitoba waters. Can the minister not make some kind of representation which will show that they are acting in very bad faith by alloting more funds at this time? They know this project will affect Manitoba waters.

Mr. Jamieson: Mr. Speaker, I would not want to agree with the hon. member that our representations are being ignored. The House will recall that President Carter unequivocally withdrew the administration's support. As is often the case in the United States, Congress has moved to restore certain of those expenditures, not all of them. I repeat that the President's position remains what it was when he gave the information to our Prime Minister in February. While I would be very pleased to reiterate and call to the attention of the United States administration the position of the government of Canada, just as we in this House might very well be offended, I do not think it is appropriate for us to make representations to the United States Congress.

HELSINKI REVIEW CONFERENCE IN BELGRADE—SUGGESTION HUMAN RIGHTS BE ON AGENDA

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, my question is for the Secretary of State for External Affairs. I think all members will welcome the decision by the Commonwealth Prime Ministers to issue a denunciation of the breaches of human rights in Uganda.

Some hon. Members: Hear, hear!

Mr. Stanbury: On this first day of the Helsinki review conference in Belgrade, is it the intention of the government to insist that the agenda of this conference not be emasculated by any attempt to remove the discussion of progress or lack thereof in the field of human rights? In particular, will the government put before this conference the experience of Canada in the field of family reunification and family visits with special reference to the fact that some 2,000 Soviet citizens are still awaiting permission to leave that country simply to visit relatives in Canada?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member and the House that our position will be, as I stated previously and reiterate now, to make the strongest possible representations at the Belgrade conference with regard to the issue of human rights as he has outlined them. I should recall for the House that the meeting beginning today is designed for agenda drafting. The substantive talks, of course, will not take place until September. In terms of the agenda, it is the instruction to the Canadian delegation now in Belgrade that ample room and time be afforded to the question of human rights.

QUALIFICATION ON LOAN TO PHILIPPINES THAT BREACH OF HUMAN RIGHTS EXISTED—GOVERNMENT POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. On the basis of innovation with human rights, will the minister extend the congratulations of this House to the Canadian representative on the World Bank to put a qualification on a loan of money to the Philippines on the basis that a serious infraction of human rights existed in that country? Will Canada pursue this forthright policy in the future, equating human rights and whether we lend money and so on to various countries which are in breach of human rights?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, as a matter of principle, I agree with the hon. member in terms of the repugnance we feel toward certain administrations. However, I wish to leave ourselves some manœuvrability when assistance of a financial nature is designed for the very poor people of a country as opposed to supporting the administration. In principle, I have no quarrel with that view.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I wish to make a correction to yesterday's *Hansard*. It was brought to light by the question of the hon. member for Kingston and the Islands (Miss MacDonald). It relates to my answer to the hon. member for Vancouver Quadra (Mr. Clarke). I am recorded as saying:

● (1500)

I do not have the report in front of me. However, as I recall it, those individuals that were mentioned were legally landed knowing that there were royal commissions under way in Hong Kong which might result—

I do not recall my words in the House yesterday, but that clearly is wrong. Since the questions yesterday, as I have indicated to the member for Vancouver Quadra, I read the report I had at the time, and it is clear in my report and, I am sure, was clear yesterday in my answer that I said I do not have the report in front of me, but as I recall it, those individuals who were mentioned were legally landed. That is the report I had.

Later, however, in February, 1976—at the time the report was given to me and when I subsequently wrote to the hon. member for Vancouver Quadra—it was known that there were royal commissions and inquiries going on in Hong Kong which could result in reports being made against some of them, and that those reports might lead to requests for extradition. This knowledge was in a report to me in February of 1976. As the Minister of Manpower and Immigration, (Mr. Cullen) has made clear, and as the report of 1976 made clear, they were legally landed.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, we simply cannot accept in this House a situation where on one day a minister of the Crown gives information or impressions which the next day he withdraws after questioning reveals that, whether advertently or not, the information given the first day under questioning was not correct. At the very least, this government, which changes its story on this matter from day to day, intends to continue to block an inquiry or royal commission. All the facts relating to the entry into Canada of the people known as the Five Dragons and others associated with them should be made available to the House both by tabling and through an opportunity for a special or standing committee to examine the officers and the ministers who were involved.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. The Minister of Justice (Mr. Basford) sought, and was given, the floor on the basis of a notice sent to me in relation to a question of privilege. It turned out at the beginning to be a point of order relating to a correction to be made to yesterday's declaration, whether in fact it was a correction to *Hansard* or not. The Leader of the Opposition (Mr. Clark) has contributed to that point, and there is really no procedure by which I can hear the Minister of Justice on the same point without again allowing the Leader of the Opposition to speak, and going on indefinitely.

The Minister of Manpower and Immigration (Mr. Cullen).

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, may I answer the hon. member for New Westminster (Mr. Leggatt) who asked about the status of an individual, Mr. Hon Shum. He was a landed immigrant in 1973—

Mr. Baker (Grenville-Carleton): Are we carrying on with the question period, Mr. Speaker?

Mr. Cullen: Do you want clarification, or not?

Mr. Baker (Grenville-Carleton): Make a statement on motions.

Mr. Speaker: Order. Without the consent of the House there is no opportunity for a minister to expand on an answer he gave in the question period. If the minister desires to do so now, he will require unanimous consent. Is the House prepared to give its consent to hear an expanded answer from the minister?

Some hon. Members: Agreed.

Mr. Cullen: I was not seeking to expand on my answer, Mr. Speaker. However, I had indicated to the hon. member that I did not have the information to hand, whereas as a matter of fact I have. The individual in question, Mr. Shum, was landed in 1973 and an attempt to extradite him failed on a legal technicality. I understand an appeal is pending at the present time.

PRIVILEGE

MR. REYNOLDS—REMARKS ON CBC TELEVISION PROGRAM

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise on a question of privilege involving my reputation as a member of this House.

Members will have seen or heard about the program on CBC television on Sunday and Monday nights which accused me of consorting with and acting on behalf of underworld figures in Vancouver. This accusation is totally false and I join with other members on both sides of the House who were grossly slandered, or whose words were twisted and edited beyond recognition, in expressing revulsion that the Canadian Broadcasting Corporation should feel it part of its mandate to deliberately lie to its viewers.

Some hon. Members: Hear, hear!

Mr. Reynolds: The CBC insinuated that I was a close acquaintance of people that I knew to be underworld figures. This is completely untrue. My dealings with these men were limited to the response a member of parliament normally makes to people who seek his help. Like all members, I reply daily to dozens of phone messages and letters. I do not have the resources to investigate all the people I talk to on the phone, or write to, or meet. Nor have I any way of knowing the background of everyone who owns a restaurant in which I sometimes eat, or a business I would visit. How many members of parliament can say they do, Mr. Speaker? It is unreasonable to think that an MP can have complete information on the connections of casual acquaintances.

Mr. Speaker, I have been a full-time member of parliament for five years. I have worked extremely hard and have always had an open-door policy for anyone who wanted to see me. I am proud of that record.

The CBC accused me of either corruption or naivety. I must remind the House that I could hardly have been stronger in my requests for action to combat the criminal elements in Canadian society. I am not about to totally reverse the main purpose of my political career and start acting on their half. The CBC has advanced nothing more than a sly, cut-up version of film clips to suggest otherwise. The help sought by Mr. Cala is the same as that sought daily by hundreds of constituents of all members, and my response was even less helpful than most would give. I told him I had no idea where the Mackenzie Valley pipeline would be built and advised him to call another MP and an oil lobbying person. I could not even give him an educated guess.

I would like to point out in passing that the House dealt with this problem once before, when the hon. member for Kenora-Rainy River (Mr. Reid) was accused of having violated budget secrecy with respect to motor boat taxes. I ask hon. members to recall that the Montreal *Gazette* was criticized by a committee of this House for totally misrepresenting the hon. member's actions.

As to the suggestion that I am naive, I feel that if there is naivety anywhere, it was on the part of the gentlemen who

contacted me and who seemed to believe that an opposition MP would have full and useful knowledge of a pipeline route 20 months before a decision was due to be made.

Some hon. Members: Hear, hear!

Mr. Reynolds: Mr. Speaker, I think the House should know how this libellous concoction was put together. First, I was approached for an interview about the subcommittee on penitentiaries by Dubro and MacAdam. If I looked surprised when asked about Joe Gentile, it was because the interviewer suddenly started asking about a topic that did not arise out of anything previously discussed. In the program my answers were rearranged to convey as damaging an impression as possible.

On realizing, after the interview—which took place at my home—the nature of the hatchet job which was being prepared, I went to my next meeting with Mr. Jim Dubro and Mr. Bill MacAdam, the producer, at a Toronto hotel with my lawyer in attendance. This meeting was held on June 9 at the Chelsea Inn and had been agreed to at the time of our first interview. We discussed a number of points which I felt showed a lot of the CBC information to be erroneous and slanted for the benefit of some of those who would like to see my career and reputation ruined.

It was quite obvious to the CBC people that the reason my lawyer was there was to ensure I had every opportunity to make sure my point of view was heard, and also that if the program on the weekend was to include this erroneous information, we would seek an injunction in a court of law, as would have been my legal right. We were assured, Mr. Speaker, by these two gentlemen that the weekend program had nothing to do with me and in fact they had arranged a meeting tentatively for today so that we could follow up this story even further.

● (1510)

By lying to me in such a facile manner, the CBC deprived me of my legal right to challenge their intention to air the segments slandering me. I believe this was a despicable and dishonourable way for the CBC to act—

Some hon. Members: Hear, hear!

Mr. Reynolds: —and I intend to take legal action. My lawyer in Vancouver, Mr. Allan McEachern—

Some hon. Members: Oh, oh!

Mr. Reynolds: —has already served a writ today. To clarify matters, Mr. Speaker, he is no relation of my hon. friend on the other side. To any who may wonder why no legal action was taken until today, I would draw their attention to the British Columbia libel and slander act which suggests that one clear day after the offence should lapse before commencement of any action.

I believe, Mr. Speaker, that this program impugns my integrity as a member of parliament and is entirely within the ambit of privilege as defined by Beauchesne, particularly citations 110 and 111(h). However, I also know that British practice tends to hold that a remedy through the courts should be sought if one is available, and I believe that is the most appropriate course of action in this case. Therefore, I will not move a motion but I will see the gentlemen from the CBC in court.

Everyone here believes in freedom of the press, Mr. Speaker, but surely that is defined as the right to publicize or broadcast the truth. By that definition, the CBC's presentation was a hypocritical and untruthful exercise in character assassination. I will not stand for it, and neither would any other member of this House. I hope the CBC pays as much attention to the proceedings in court and to this statement as it has to its own libellous fabrications.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. That being what I presume, from my own rough count, is the last contribution to this fascinating subject, I would now propose to carry this matter under study for a few days, probably until Monday or Tuesday, before attempting to make a final pronouncement on it.

[Mr. Reynolds.]

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

First report of Standing Committee on Public Accounts—Mr. Lawrence.

[*English*]

Third report of Standing Committee on Labour, Manpower and Immigration—Miss Nicholson.

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

* * *

REPRESENTATION ACT, 1977

MEASURE RESPECTING REPRESENTATION IN HOUSE OF COMMONS

Mr. Gordon Towers (Red Deer) moved for leave to introduce Bill C-424, respecting representation in the House of Commons.

Some hon. Members: Explain.

Mr. Towers: Mr. Speaker, the purpose of this bill is to maintain membership in the House of Commons at approximately its present level until the population of Canada exceeds 50 million. At present, the base figure for Quebec of 75

increases by four members with each successive readjustment, at roughly ten-year intervals, and the total number of members for all provinces increases correspondingly without regard to the actual increase in population. The proposed amendment would freeze the base figure at its present 75, and the total representation at approximately 282.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 1,006, 1,481, 1,506, 1,539, 1,555, 1,607, 2,075, 2,310, 2,338, 2,359, 2,424 and 2,641.

[*Text*]

PERIOD OF ASSESSMENT AND REFUND UNDER EXCISE TAX ACT

Question No. 1,006—**Mr. Howie:**

What is the period of (a) assessment (b) refund under the Excise Tax Act and is consideration being given to a uniform three year limit in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Revenue is concerned: (a) The Excise Tax Act places no limitation on the time period of the taxpayer's operation which may be subject to assessment. (b) Prior to the Budget of March 31, 1977, the general refund provisions required an applicant to file his written application for tax refund within two years from the time the refund first became payable. It was proposed in the Budget that the period within which a person may apply to recover tax by way of refund, deduction or other payment be extended from two years to four years in the general refund provisions of the Excise Tax Act. This extension will apply to all applications, other than those which have expired on or before March 31, 1977.

In so far as the Department of Finance is concerned: Amendments to the Excise Tax Act will be considered during the continuing review of matters related to the federal sales tax. If a decision is taken to impose time limits in the case of assessments, or to further adjust the time limits applicable to refunds, the government will announce its intentions in the usual budgetary context.

GOVERNMENT REVENUE—PETROLEUM INDUSTRY

Question No. 1,481—**Mr. McKenzie:**

1. How much did the government obtain from the petroleum industry through all revenue sources including corporation taxes, sales tax, excise taxes, etc. in 1975 and what has been anticipated for 1976?

2. How much of the revenue was paid out in compensation to eastern refiners?

3. For each of the same years, what amounts were invested by the government in (a) conventional exploration (b) synthetic investments (c) other energy?

4. How much of the total revenue for 1975 and 1976 went toward general revenue?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): In so far as the Department of Energy, Mines and Resources is concerned: 1. Export charge collections for 1975 were $1,166 million, and estimates for 1976 are $716 million. Gasoline excise tax revenues were $233.3 million in 1975 and an estimated $550 million for 1976. No accurate figures for income tax collections are available for this industry alone, but the mineral fuels industry, which includes coal, as well as oil and gas, provided for $634 million in 1975 and $490 million for the first three quarters of 1976. These figures include provincial income taxes amounting to perhaps one quarter of the total.

2. Compensation payments were $1,450 million in 1975 and $967 million in 1976.

3. (a) Conventional exploration expenditures by the government through Panarctic and Petro-Canada, were $18 million in 1975 and $41 million in 1976. (b) Synthetic investments were $58 million in 1975 and $87 million in 1976. (c) As for investments in other energy, many of the research expenditures of the department and other agencies could be so classified. Perhaps the largest item is Atomic Energy of Canada's Nuclear Research and Utilization program, which was voted $86 million in fiscal 1975-76 and $102 million in fiscal 1976-77.

4. All revenue, as is the case of taxes collected from any industry, are of course, treated as general revenue, and as such are available for other programs such as equalization. Federal equalization payments attributable to provincial oil and gas revenues amounted to $448 million in fiscal 1975-76 and $484 million in fiscal 1976-77.

COMMEMORATIONS OF TREATIES 6 AND 7 (ALBERTA)

Question No. 1,506—**Mr. Mazankowski:**

1. How much money did the government provide in the form of grants to assist the Commemorations of Treaties 6 and 7 in Alberta from July, 1976?

2. How many (a) government employees (b) other persons attended the Commemorations at the expense of the government and, in each case, what was the cost?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. The Department of Indian Affairs and Northern Development provided a total of $120,000 in the form of contributions for these commemorations.

2. (a) Eight officials attended the commemoration of the signing of Treaty 6 in Saddle Lake, Alberta last summer at a total cost of $5,922.77. Of this amount, $4,747.24 was incurred by the officer responsible for co-ordinating the Treaty centennial celebration and includes all travel pertaining to centennial events. Several of the other officers who attended were in the Saddle Lake area for other business and the cost of their attendance at the commemoration was minimal. (b) The Department has no knowledge of any other persons who

attended the Commemorations at the expense of the government.

PRIVATE EMPLOYMENT AGENCIES—DIAND

Question No. 1,539—**Mr. McKenzie:**

1. Has the Department of Indian Affairs and Northern Development obtained (a) part-time (b) full-time employees from private employment agencies in (i) British Columbia (ii) Alberta (iii) Saskatchewan (iv) Manitoba (v) Ontario (vi) Quebec (vii) New Brunswick (viii) Nova Scotia (ix) Prince Edward Island (x) Newfoundland and, if so, in each case, how many?

2. Are such employees paid from supplementary estimates and, if not, from what estimates are they paid?

3. By province, what was the (a) average hourly rate paid to employment agencies (b) average hourly rate paid to employees (c) total amount paid by the Department in (i) 1975 (ii) 1976?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1.

1975			1976		
(a)	(i)	6	(a)	(i)	2
	(ii)	111		(ii)	104
	(iii)	Nil		(iii)	Nil
	(iv)	69		(iv)	125
	(v)	161		(v)	228
	(vi)	18		(vi)	16
	(vii)	Nil		(vii)	Nil
	(viii)	Nil		(viii)	6
	(ix)	Nil		(ix)	Nil
	(x)	Nil		(x)	Nil
(b)	(i)	Nil	(b)	(i)	Nil
	(ii)	Nil		(ii)	Nil
	(iii)	Nil		(iii)	Nil
	(iv)	Nil		(iv)	Nil
	(v)	Nil		(v)	8
	(vi)	3		(vi)	6
	(vii)	Nil		(vii)	Nil
	(viii)	Nil		(viii)	Nil
	(ix)	Nil		(ix)	Nil
	(x)	Nil		(x)	Nil

2. Employees hired in Quebec by the Parks Canada Programme were paid from supplementary estimates. All others were paid from main estimates.

3.

		(i) 1975	(ii) 1976
(a)	B.C.	$ 5.65	$ 6.00
	Alberta	5.30	5.47
	Saskatchewan	N/A	N/A
	Manitoba	5.07	6.01
	Ontario	5.43	6.30
	Quebec	4.86	5.68
	New Brunswick	N/A	N/A
	Nova Scotia	N/A	5.20
	P.E.I.	N/A	N/A
	Newfoundland	N/A	N/A

(b) This is not available from the department. This information is known only to the agencies and their employees.

		(i) 1975	(ii) 1976
(c)	B.C.	$ 6,034.00	$ 4,482.00
	Alberta	51,642.00	67,129.00
	Saskatchewan	Nil	Nil
	Manitoba	20,720.45	43,622.97
	Ontario	185,087.68	279,016.83
	Quebec	64,613.00	63,349.00
	New Brunswick	Nil	Nil
	Nova Scotia	Nil	1,460.00
	P.E.I.	Nil	Nil
	Newfoundland	Nil	Nil

COST OF ENERGY

Question No. 1,555—**Mr. Marshall:**

Has the government received a request from the Province of Newfoundland for assistance to reduce the cost of energy and, if so, what are the details?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: A request for assistance has been received based on the Province of Newfoundland's assessment of its need for a support programme directed towards reducing the cost of energy in that province. Since the request is still being assessed, details cannot be made available.

PARLIAMENT HILL—LOWERING OF FLAG

Question No. 1,607—**Mr. Jones:**

1. Was the flag lowered on Parliament Hill on the occasion of the death of the former Prime Minister of Great Britain, the Rt. Hon. Anthony Eden, Lord Avon and, if not, for what reason?

2. Was the flag lowered on the occasion of the death of Charles DeGaulle, the former President of France and, if so, for what reason?

Hon. John Roberts (Secretary of State): 1. No. The rules respecting the display of the Canadian flag provide for the flag on the Peace Tower in Ottawa to be lowered upon the death of a former foreign *head of state*. These rules do not provide for the lowering of the flag upon the death of a former foreign government leader.

2. Yes. See 1.

UNACCEPTABLE LEVELS OF RADIOACTIVITY

Question No. 2,075—**Mr. Howie:**

1. In how many cases have buildings been found to contain unacceptable levels of radioactivity since 1970?

2. In how many of the cases were acts or omissions by Atomic Energy of Canada found to be the cause of the contamination and what were the causes in the other cases?

3. In each case, what (a) was the type of building (b) was the number of persons who regularly used the building (c) measures were taken to reduce the level of radioactivity and at what cost (d) was the date of the discovery of the unacceptable levels (e) was the date the levels were reduced to an acceptable point (f) was the location of the building (g) was the exact source of the contamination?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: 1. Radiation surveys conducted since 1970 have revealed 11 sites in which unacceptable levels of radioactivity existed. The location of these sites and the status of the investigation and remedial measures are as follows: (i) 103 Church Street, Toronto, Ontario, Discovery, February 1975; Source, Radium and radium luminous paint; Status, Decontamination complete. (ii) University of Toronto, Discovery, 1975; Source, Minor contamination of physics building (basement) from previous radium work. Status, Decontamination complete. (iii) Lumidial Canada Ltd. Richmond Hill, Ont. Discovery, May 1975; Source, Radium luminous paint; Status, Decontamination complete. (iv) Port Hope, Ontario, Discovery, 1975; Source, Radioactive contamination and residue from radium and uranium extraction process. Status, 3170 sites surveyed. Approximately 500 sites contaminated. Approximately 500 sites questionable. Remedial program underway with James F. MacLaren Ltd. acting as Program Manager. Contamination is not restricted to any type of building, i.e no distinction between private residences, business establishments, etc. (v) Elliot Lake, Ontario, Discovery, 1976; Source, Contamination throughout town due to radioactive waste rock and natural occurrences of uranium. Status, Clean-up pending Cabinet decision. 270 out of 1600 sites identified as possibly requiring remedial work. An additional 327 sites to be further investigated. (vi) Haley Industries, Haley Station, Ont. Discovery, 1976; Source, thorium used in magnesium alloy production. Status, Contamination contained and further operations to be under licences from the AECB. (vii) Chromasco Limited, Haley Station, Ont. Discovery, 1976; Source, Pyrochlore slag and some thorium. Status, Clean-up in progress. Temporary storage on company property under AECB surveillance. Permanent storage to be arranged. (viii) 1670 William Street, Montreal, Quebec. Discovery, Following 103 Church Street; Source, Radium; Status, Decontamination complete. (ix) Uranium City, Saskatchewan. Discovery, 1975; Source, Radioactive waste rock and natural occurrences of uranium. Status, Approximately 158 out of 750 sites require work. Work is in progress. (x) Eldorado Townsite, Saskatchewan. Discovery, 1975; Source, Same as Uranium City; Status, Approximately 10 out of 68 sites require remedial work. (xi) Northwest Industries Limited, Edmonton, Alberta. Discovery, Following 103 Church Street; Source, Radium luminous paint; Status, Decontamination complete.

2. None of the aforementioned cases of radioactive contamination are or were related to activities of the Atomic Energy of Canada Ltd.

3. (a) Houses, factories, hangars and schools; (b) from two or three in the case of a family residence; to several hundred in the case of the schools. (c) (i) Location of source of contamination and where feasible removal; (ii) costs not as yet fully determined. (d), (e) and (f) See answer to question 1. (g) In most cases radium and its immediate decay products.

SHORT TERM PROGRAMME TO MAKE PUBLIC AWARE OF NEED FOR ENERGY CONSERVATION

Question No. 2,310—**Mr. Fortin:**

Does the government have a short term programme to make the public aware of the need for energy conservation and (a) if so, what is it (b) if not, for what reason?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: Since its inception, the Office of Energy Conservation has had, and still has, a comprehensive information programme with annual budgets of $760,000, $2,500,000 and $3,000,000 for the fiscal years 1974-75, 1975-76, 1976-77 respectively, to make the public aware of the need to conserve Canada's non-renewable resources. The awareness programme has been heightened by publications (eg. 100 Ways to Save Energy and Money in the Home, the Billpayers Guide to Furnace Servicing, Keeping the Heat In, etc . . .) selective radio, television and newspaper advertisements and educational aids for teachers and public meetings. One of the most visible parts of the programme has been the mobile information project which has run in parts of Ontario, Nova Scotia, Prince Edward Island, Newfoundland and presently in New Brunswick. Under this arrangement, two qualified representatives from E. M. & R. meet with citizens groups, associations, elementary and secondary schools to discuss the issues of the energy situation in Canada and how all Canadians can and must conserve our precious resources. Films, slide shows and publications are the media utilized in presentations.

POLICY-MAKING REGULATING ALL FORMS OF COMMUNICATIONS

Question No. 2,338—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or interpretation of policies, regulating all forms of communications?

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned: (a) N/A—The Department of Communications was created in 1969. (b) 26 employees.

In so far as the Canadian Radio-television and Telecommunications Commission is concerned: according to the present structure of the Commission, the staff of the Research and Broadcast Programmes Directorates are involved in regulatory policy and evaluation functions, as is the Executive Director, senior members of the staff, the Chairman and members of the Commission. The role played by these people is one of (a) formulation and development of regulatory policy relating to current problems in the communications industry; and (b) decisions reflecting the implementation of policy proposals. No employees or members of the Commission are

exclusively charged with policy-making or interpretation of policies of communications.

DEPARTMENT OF SECRETARY OF STATE—TRANSLATORS

Question No. 2,359—**Mr. Kaplan:**

1. How many translators work for the Department of the Secretary of State?

2. Approximately, how long does it take to translate one page of a statement on policy?

Hon. John Roberts (Secretary of State): 1. At March 31, 1977, the Translation Bureau staff in the TR (Translation) Group was as follows: 712 translators, 36 translator-interpreters, 250 revisers. Other employees in TR positions are either interpreters, terminologists or management.

2. It is estimated that it takes one to two hours to translate and revise a page of 200 hundred words.

STUDENT SUMMER EMPLOYMENT PROGRAMMES—DIAND

Question No. 2,424—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Northern Programme (b) Parks Canada Summer Recruitment (c) Parks awareness (d) High School Programme under the Department of Indian Affairs and Northern Development?

2. Are any other programmes available for students under the Department?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1.

	Additional Staff Hired	Cost of Program	Number of students Employed
(a) Northern Programme	0	$ 79,944,00	112
(b) Parks Canada Summer Recruitment	0	287,594.41	164
(c) Parks Awareness	1	99,378.53	42*
(d) High School Programme (Indian Affairs Programme)	0	902,361.00	2,329

* These are jobs in the private sector performed under contract arrangements with Parks Canada.

2. Yes. Summer Youth Employment programme (Indian Affairs Programme), Indian and Eskimo Recruitment and Development. Additional summer students were hired from the Parks Canada Operating budget for guides, animators and for maintenance jobs.

GRANTS TO MACLEAN-HUNTER LTD. FROM 1974 TO 1976

Question No. 2,641—**Mr. Woolliams:**

Did Maclean-Hunter Limited, Toronto, Ontario, receive grants from the Department of the Secretary of State in (a) 1974 (b) 1975 (c) 1976 and, if so, in each case (i) from which section (ii) in what amount (iii) for what purpose?

Hon. John Roberts (Secretary of State): No.

[Mr. Milne.]

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, if question No. 792 could be made an order for return, this return would be tabled immediately.

[*Text*]

HIGH LEVEL OF MERCURY IN FRESHWATER FISH

Question No. 792—**Mr. Beatty:**

1. Is the government aware of any water systems in Canada that have an abnormally high level of mercury in freshwater fish and, if so, what are their names?

2. Have the pollution sources been identified and, if so, in each case, what action was taken by the government to control the source and with what results?

3. With regard to the mercury levels in sediments, what has been the result of government action to control mercury pollution?

4. What are the major pollution sources of mercury in Canada that are not under government regulations whether it be the Clean Air Act or the Fisheries Act?

5. Are mine tailings being dumped directly into Canadian waters and, if so (a) by what companies (b) what are the monitoring procedures used in Canada to monitor tailings in comparison to the state of the art (c) what are the monitoring procedures used in each case (d) are efforts being made in Canada for the reclamation of land on mine tailing sites?

6. Have (a) medical (b) social services been provided by the government to each community that has been reported to consume considerable amounts of mercury-contaminated fish and, if so, what are they?

7. Did the government propose the establishment of a national park as a solution to better the conditions of the people of Whitedog and Grassy Narrows and, if so, for what reason?

8. Has the government ever used epidemiological evidence to prosecute a polluting company in Canada?

9. Would the current discharge of mercury be reduced if all process water contaminated with mercury were to receive full recycling treatment?

Return tabled.

[*English*]

Mr. Dionne (Northumberland-Miramichi): I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Mazankowski: Mr. Speaker, on a point of order, I wonder whether the parliamentary secretary would take the occasion to look into question No. 710 which has been on the order paper since October 19. Perhaps I might get an answer before we break for the summer recess.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I will follow up on the hon. member's request, and either I or the parliamentary secretary to the House leader will report to him.

MOTIONS FOR PAPERS

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): While I am on my feet, Mr. Speaker, may I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all remaining notices of motions for the production of documents be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Donald S. Macdonald (Minister of Finance) moved:

That a ways and means motion to amend the Income Tax Act laid upon the table June 13, 1977, be concurred in.

Motion agreed to.

INCOME TAX APPLICATION RULES, 1971

Hon. Donald S. Macdonald (Minister of Finance) moved:

That a ways and means motion to amend the Income Tax Application Rules, 1971, laid upon the table June 13, 1977, be concurred in.

Motion agreed to.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-56, to amend the statute law relating to income tax (No. 2) be read the first time and printed.

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

Mr. McCleave: On division.

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

Mr. Speaker: When shall the said bill be read the second time. Next sitting of the House?

Some hon. Members: Agreed.

Mr. McCleave: On division.

Mr. Speaker: Government orders.

Organized Crime

Mr. McCleave: Mr. Speaker, on a point of order, I hope that my opposition to the income tax bill—I am really concerned about the life insurance policy provisions—is recorded as "on division".

Mr. Speaker: Order, please.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR ESTABLISHMENT OF ROYAL COMMISSION ON ORGANIZED CRIME

Mr. Stuart Leggatt (New Westminster) moved:

That this House calls on the government to establish forthwith a royal commission on organized crime in Canada.

He said: Mr. Speaker, the last time this House had the opportunity to debate this matter in this kind of detail was November 12, 1974. The motion at that time was put down by the hon. member for Saint-Hyacinthe (Mr. Wagner) who made a very eloquent plea for some changes in our law in terms of this insidious and growing force in Canadian society—organized crime. We have indicated before, and I want to indicate now, that this party congratulates the CBC on a hard-hitting and tough journalistic exercise. In my view, if we had more programs like this presentation of the CBC, we would not only have a higher listening audience but we would have better co-operation from ordinary members of the public in getting at the problem of organized crime, which starts at the street level.

● (1520)

This House should issue very high congratulations to the CBC. I have a caveat to say about those congratulations. As I indicated, the last time the House debated this motion the hon. member for Saint-Hyacinthe was the person who put it on the order paper. As a viewer, it did seem to me unfair that the insinuation and the innuendo implicated three members of parliament. Those members of parliament will have an opportunity to answer in the courts, but I hope they will answer in the Standing Committee on Privileges and Elections, right here in the House, so that there will be a full and open inquiry into these matters. There was certainly an insinuation in the program concerning those members and I hope they welcome a full and open inquiry into the political area.

Surely we have missed the main point, and that is the reason a royal commission is so necessary. The royal commission should not be limited to the rules of this House, but should go into the question of organized crime and how far it has insinuated its tentacles into the political, business and union life of Canada. That is what we need to find out.

An hon. Member: And the police force.

Mr. Leggatt: Yes, and the police force, if it is there. I see the Solicitor General (Mr. Fox) is shrugging his shoulders and indicating that it is not there. I am sure he will stand up and say that it is not there.

Mr. Fox: I cannot believe it.

Mr. Leggatt: I am sure he will get up and apologize for the RCMP, as he has done since the time he attained his portfolio. His job is not to apologize for the RCMP. His job is not to defend the RCMP, and it is not to defend bureaucracy. His job is to provide leadership in crime enforcement in Canada. In terms of the RCMP, he is the law enforcement officer. He is the person who should exercise his political clout over that force. He should move that force forward in terms of organized crime. During the course of this debate I will talk about the way we can go about doing that.

We have two ministers in this House, the Minister of Justice (Mr. Basford) and the Solicitor General, who have said they oppose this motion for a royal commission. They have two grounds on which they oppose it. They are important men, and I take it they are very serious about those grounds. They say the provinces have the authority to set up their own commissions, and the provinces can deal with this matter. I should like to indicate that organized crime is transprovincial, transnational and international. As they discovered in the United States, if you are going to fight organized crime you cannot do it with little, local commissions which work at cross-purposes and do not relate their information in terms of the attack.

Mr. Fox: That is not the case in Canada.

Mr. Leggatt: The Solicitor General says that is not the case in Canada.

An hon. Member: We have never caught anyone yet.

Mr. Leggatt: We have never caught anyone involved in organized crime in Canada.

Some hon. Members: Oh, oh!

Mr. Leggatt: Mr. Speaker—

Mr. Fox: That is not the situation in Canada.

An hon. Member: Let the hon. member for New Westminster (Mr. Leggatt) talk. The Solicitor General (Mr. Fox) has had his say.

The Acting Speaker (Mr. Turner): The hon. member for New Westminster (Mr. Leggatt) has the floor. We will be here until six o'clock. We will all have our day in court.

Mr. Woolliams: Good idea.

Mr. Leggatt: The one thing organized crime is delighted with is this government's position of not going for a national royal commission. They are delighted with the fact that this government would rather see those commissions fractured and hived off into little distributions. They are pleased with the fact that each little commission will be chopping away at one little tentacle of the octopus, while the head stays intact, merrily doing its dirty work in Canada. That is the position of this government on a national royal commission: We will let the provinces do it and will abandon more jurisdiction to the provinces. They have been doing this since 1972. Our party is one party which is not going to abandon jurisdiction over law enforcement at the federal level, as this government is going to do.

Mr. Woolliams: Right on.

Mr. Leggatt: Their second argument seems to boggle the mind. They indicate that they will get these criminals and have the Five Dragons in jail in no time: The only thing which needs to be done is to pass the amendments to the wiretap act; they are keeping these people on the streets by being in opposition to our wiretap act amendments.

When that bill comes out of committee and the Liberal majority gets its way, as it usually does, and the bill is passed, we can expect to see all kinds of arrests by the fall. The Five Dragons will be behind bars, our friends in Montreal will be picked up off the streets, and there will be no problem at all. That is the argument which has been presented to this House, and it is the most specious, silly argument I have ever heard. It is a silly argument to say, because some minor amendments to the wiretap act have not been passed, that this government has been inhibited in regard to organized crime.

I should like to refer to the broad powers which the government says they do not have in order to deal with organized crime under the wiretap act. One of them deals with the question of the introduction of evidence. It can be argued and debated by lawyers as to whether it complicates the courts system and expands the time that is necessary. For a minister of the Crown to stand and seriously tell us that because he does not have that little amendment in terms of the evidentiary rule in court, he has not been able to successfully attack organized crime, is so specious as not to be worthy of serious attention.

An hon. Member: He should resign.

Mr. Leggatt: The second question the minister must deal with is the law which is in existence. I am sure the minister has looked at it, but I want to remind him of the existing wiretap law. Parliament gave this government the power to go out and tap what organized crime says. I am referring to section 178(1) of the existing law which refers to any other indictable offence in respect of which there are reasonable and probable grounds to believe that it forms a pattern of similar or related offences by two or more persons acting in concert and that such pattern is part of the activities of organized crime.

This parliament gave the minister full power against organized crime when it passed the previous legislation. The minister continues to raise the red herring that if these other offences are not included in the section, he will be terribly handicapped or inhibited. The law has always been there. The minister has to direct himself to the real questions: Have the law enforcement people been properly directed? Has the balance of the forces been correct? Have we had too many RCMP officers chasing around the campuses of Canada trying to track down some left-wing radicals, when they should have been out on the streets of Montreal and Vancouver working

under cover to put some of these rotters in jail where they belong? Those are questions for which the Minister of Justice and the Solicitor General have no real answers.

An hon. Member: That goes back to Goyer.

Mr. Leggatt: I am aware of that. I am waiting with an open mind to hear the minister's defence of the attack which he and his predecessors have made in the area of organized crime. I would be interested in hearing what his staff allocations are. I would be happy if he told us how many in the Ottawa detachment have as their sole responsibility an attack on organized crime, versus the number who have responsibility in terms of subversive activity in Canada. The minister might be persuaded to change the balance of his forces in terms of attacking organized crime.

Those are the two reasons which have been given in opposition to the call for a royal commission. The validity is not there. I should like to indicate some of the reasons it is useful to have a royal commission. First of all, Al Capone was not put in jail because he killed anybody; he was put in jail because the United States enforcement authorities decided that he was a kingpin in organized crime and they determined that he was no longer going to carry on those activities in the United States. They convicted him of evading income tax. That is how they imprisoned Al Capone.

● (1530)

What is the use of talking about provincial and federal jurisdictions? Why say, "Let British Columbia have its own royal commission and let Quebec have its own royal commission?" Has the federal government no say when there are violations of our immigration laws or income tax laws? I say this because organized crime likes to evade income tax. We should not insist on splitting responsibility, as it were. We may not be able to catch some of the kingpins of organized crime unless the federal authority enforces offences against the Income Tax Act, for instance.

Anyone with experience in the field will concede the extreme difficulty of nailing the kingpins of organized crime. Most of these people do not bother using the telephone. Someone ought to tell the minister: I think the force knows it. I suggest the wiretap law on which the government seems to rely so heavily is not the most effective instrument for combatting organized crime. If you took the earphones off some of our policemen, and put them on the streets to do undercover and investigate work of the sort our CBC reporters have done, for example, you would get convictions.

Some hon. Members: Hear, hear!

Mr. Leggatt: Mr. Ramsay Clark, when he appeared before the Standing Committee on Justice and Legal Affairs in 1973, pointed out the difficulties of the wiretap law. He said the police would use it as a crutch and lean on it so heavily that they would neglect the undercover, dangerous work which must be done, the work which we give the police tremendous credit for doing. The government is responsible for allocating resources to the police properly and appropriately. No one in this House says we should not have a wiretap law but, we say it should be a balanced wiretap law.

If the minister's response to organized crime is, "Give us more evidentiary rules, expand two sections in the offences section of the code and we will clean up organized crime," one can only say his response is inadequate. We want the government to adopt a co-ordinated approach. We want to see the Minister of Justice involved in prosecutions, and the Solicitor General in law enforcement. As well, we want to see some indication of an increase in the allocation to the force. Perhaps the minister will announce today his intention to increase the allocation. The opposition knows this is an expensive business. I know of one investigation, concerning one figure, which is costing $1.5 million per year. The Canadian people will back any minister who says, "I am not going to apologize for this spending. I am looking ahead in our fight against organized crime."

We do not want the minister to defend the bureaucracy and the force. We all love the force. That's a motherhood question in Canada. Everyone wants to see the RCMP working effectively and well. It is the minister's responsibility to give direction which will protect the force's reputation as one of the best police forces in the world. And, I say it is one of the best in the world. But unless the minister changes his attitude, it will be in trouble.

What are the other arguments in favour of a royal commission? There is reluctance on the part of politicians at any time to look at themselves in relation to organized crime.

Mr. Woolliams: Why?

Mr. Leggatt: The examples in the United States on this subject are legion. Justice must not only be done; it must appear to be done. That is an old legal cliché. The House of Commons is the wrong place to examine organized crime in detail. It must be done by a royal commission. We have undertaken inquiries into various matters. Of necessity to itself, organized crime tries to infiltrate the political arena. As someone said today, I think, you never know who has made a contribution to your campaign. You have to be very careful about where the money comes from.

A royal commission does not have its hands tied politically. It can act on the question of organized crime. The request for a royal commission is not new. Government members have suggested in this House that the opposition just discovered organized crime after watching a couple of hours of television. There have been calls for a royal commission going back to 1973. Various members of this House have made the request. Therefore, this is not a new idea of the opposition's; it is not something we have just discovered. We want the government to respond to a problem the Canadian people have faced for five or six years, and it is getting worse every year.

What has been the United States experience? As I said, many of their kingpins were caught because they violated U.S. income tax law. During the 1950s and the 1960s, U.S. authorities found that their attack on organized crime was ineffective

for exactly the reasons we have put forward today. They found that you must deal with organized crime on a national basis, because these criminals can move from one community to another so quickly and act so ruthlessly that you cannot hamper them with regional commissions. Our government will not look this obvious fact in the face. It is resisting the call for a royal commission because it comes from the opposition. I am sure if the backbenchers of the Liberal party had asked for it, the government would have jumped on the bandwagon right away.

I plead with the government not to make this a political issue. If you want to give Jacques Lavoie the credit for it, go ahead. It will not bother us so long as we establish the commission. Or give Jack Horner the credit. I am sure Jack would support a royal commission into almost anything.

The Acting Speaker (Mr. Turner): Order, please. Would the hon. member please refer to members of this House by their ridings, and not by their names?

Mr. Leggatt: Mr. Speaker, I am sure the hon. member for Crowfoot (Mr. Horner) and the hon. member for Hochelaga (Mr. Lavoie) will forgive me. I want the minister to consider the precedents established in the United States where organized crime has been a serious problem for a long time. In 1950, the United States attorney general convened a national conference on organized crime. In that year, as well, there were held well publicized hearings of Senator Kefauver's Senate special committee into organized crime. In 1957, Senator McClellan's select Senate committee looked into organized crime's infiltration of business and labour. In 1958, the attorney general's special group on organized crime was formed within the department of justice of the United States. In 1961, OCR was vastly expanded in order to get regular reports on organized crime from 26 federal government agencies. As well, the number of OCR attorneys was quadrupled.

In 1966, President Johnson restated his determination to accelerate the war on organized crime and launched the president's commission on law enforcement and administration of justice, which included a task force on organized crime. Incidentally, that 1966 report, if I may summarize it, called for limited wiretap provisions, with severe restrictions to project the civil liberties and privacy of individuals. That was a government that was tough on crime; it was attacking crime. But even then they wanted very clear and severe restrictions on the privacy law. I would ask the minister again to look at that report.

● (1540)

In 1967, the recommendations of this commission were presented. In 1970, arising from the 1967 report, all organized crime efforts in the federal government were co-ordinated by the newly created national council on organized crime, and I emphasize that it was the national council on organized crime. In 1970, the U.S. organized crime control act became law. In 1977, the federal organized crime task force acted as an ongoing co-ordination and action agency against the activities of organized crime, and in 1977 at least one U.S. university had an institute of organized crime. That is a pretty interesting record to which this government has had access and for which it has had a precedent, because surely it was aware that organized crime, which knows no boundaries or borders, was infiltrating major urban centres in Canada. Compare the record in the United States with the record of the government in this country against organized crime and you will find it is a do-nothing record.

What can we see as the accomplishments of a royal commission? In British Columbia—I might say, under the NDP government at that time—a co-ordinated law enforcement unit was formed. I am sure even my good friend, the hon. member for Calgary North (Mr. Woolliams), would agree with the establishment of the law enforcement unit because it has since been carried on by the present government in a very effective way. The principles behind a co-ordinated law enforcement unit are exactly the kind of principles we should apply at the national level.

Mr. Fox: Right on.

Mr. Leggatt: One reason it is necessary to have a royal commission is that royal commissioners can examine the question and be given a mandate to recommend that the co-ordination of law enforcement should take place at the national level, and so they can examine the reports of the British Columbia commission. I want to read the reason the co-ordinated law enforcement unit was formed. If you can apply that logic, I am sure the Solicitor General will agree that a royal commission should be given a mandate to inquire into this matter. This is from the introduction of the CLEU report. It reads:

> The tactic of forming a massive joint forces operation to combat organized crime was advocated by the police themselves, who had had considerable success with combined-force efforts in the past. At the same time, a manpower utilization study found that police expended too much of their time on activities such as escorting and guarding prisoners, or in handling court officer duty. An expansion of the sheriff's office was conceived, and training provided so that sheriff's officers could assume these non-police functions. As the sheriffs took up their new tasks, police officers were released to undertake operational activities.
>
> The co-ordinated law enforcement unit was established:
>
> (a) To provide long term study into the activities of an individual, or group, believe to be involved in organized crime, where, because of limitations of jurisdiction, manpower, budget, or diversity of criminal activity, no single agency could be expected to devote its total resources.
>
> (b) To stimulate and co-ordinate interdepartmental and intragovernmental co-operation between the various federal, provincial and municipal agencies and the British Columbia Department of the Attorney General.
>
> (c) To provide the proper atmosphere under which the various agencies could develop the intelligence gathering process and expedite information exchange.
>
> (d) To develop investigation to the point where it established that a criminal offence had been, was being, or might be committed—

It goes on in terms of the justification of the first report of CLEU in British Columbia. Each and every reason for the existence of the co-ordinated law enforcement unit applies on the national scene. It is too bad that the Minister of Justice and the Solicitor General did not move in terms of the national level so that we would have a formal body formed, because the problems they are seeking to solve in British Columbia are the same problems they are trying to solve in Toronto, Quebec and

the outlying areas. As well, we have the problem of organized crime moving into places such as taverns and entertainment areas.

A royal commission can make those kinds of recommendations in terms of changing the way we go about investigating crime. I have spoken of investigation at the political level. A royal commission can do something else. It can inquire into some of the specific allegations that have been made in the CBC documentary. As people in the House have said, a lot of it seems to be innuendo, and I have used that word myself regarding some of the individuals. There is enough smoke in that program, however, for someone to check to see how hard the fire is burning.

Let us go back for a minute to the question of the Five Dragons. An in-house inquiry into the immigration service, I submit, would not satisfy very strongly and firmly held public suspicion in the Five Dragons' case. I want to review briefly some of the bald facts in that case, and I ask the ministers seriously to consider their position that this and the other questions that were raised in the program—concerning, in particular, Hamilton, Toronto and Montreal—do not merit a judicial inquiry. Let us deal with one individual, Mr. Lui Luk. The South China *Morning Post* reports that his financial worth is $500 million. I will have to check whether that is Hong Kong or Canadian money.

Mr. Woolliams: It is a lot of money, anyhow.

Mr. Leggatt: If it is $500 million in Hong Kong money, it is $125 million in Canadian money at today's exchange rate. Poor old Lui Luk is a wonderful candidate to come to this country if you take him under the entrepreneurial section and give him 25 points.

Mr. Woolliams: Quite some savings.

Mr. Leggatt: He must be a terrific saver. He can teach us all a lesson about building up a bank account. This man was a sergeant in the Hong Kong police force. By the way, we have taken about 30 of his friends into Canada from the Hong Kong police force. This man, being such a tremendous saver, decided that his police life was over and that he wanted to come to Canada. What did he do? He made an application, I presume under the normal procedure.

No minister of the House can stand up and say that corruption in the Hong Kong police force was not well known for a very long time. There have been stories printed in the world press about it. I say to the Minister of Manpower and Immigration (Mr. Cullen) that an official—I will provide the name to the minister—advised the RCMP liaisons officer in Hong Kong about the background of the Five Dragons. I would have expected that in the course of time that information would have been passed on to the immigration service. If it was not, we should find out why. If it was passed on, we should find out why the section of the Immigration Act was not applied against these individuals before they came to Canada.

We should also find out who interceded on behalf of these immigrants. Was anyone in the banking world seeking to increase the banks' deposits? That is an interesting question which certainly should be answered. There is enough information just in the one case to take a serious look at how these individuals came to Canada. I remember a fellow called Dr. Gunter Frank who was considered a dangerous fellow. He wanted to come and teach a course for a couple of months in Toronto, but they said he was a dangerous radical, some kind of Marxist. In fact, he just wanted to come to Canada to give a speech.

Mr. Hogan: Queen's University invited him.

Mr. Leggatt: I do not know how much he had in the bank, but apparently he was such a danger to Canada that we could not expose our youth to the revolutionary ideas of Dr. Frank. However, Lui Luk, with his $500 million, is all right. We can bring him in. We need all that type of person we can get, because they bring capital into Canada.

• (1550)

Mr. Gilbert: And corruption.

Mr. Leggatt: That is why we say there has not been leadership. That is why we say this government brushes the problem under the carpet.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Leggatt: I thank the House for allowing me to continue. I shall be very brief in winding up. Allegations have been made concerning the Vancouver drug squad, and I want to say that all the information I have is that Inspector Dickins and his squad are doing a first-rate job in Vancouver.

Some hon. Members: Hear, hear!

Mr. Leggatt: We should not simply throw charges about the force around, but we do need to have the public satisfied and with these kinds of allegations only a royal commission can do it. A royal commission could bring about a national council on organized crime. It could be called a co-ordinated law enforcement unit, but we have to bring together society's tools to strike out at this insidious force, because the people who are hurt are not members of parliament or people with big bank accounts. People on the street, prostitutes and people subjected to loansharking activities are the ones who are hurt. Those are the people who need help and protection.

This party has a reputation, in terms of civil liberties, which is second to none and it has agonized over the question of a royal commission because we believe that is a very serious decision to make. We must protect the liberties of those who would have to come before the cameras and before such an

inquiry. After weighing, as we must, what has to be done for the benefit of the whole of society, and particularly for the benefit of hundreds of thousands of poor victims out there, we have come down in favour of a royal commission. A royal commission could take the public into its confidence. It could make the ordinary person on the street understand that the policeman is his friend, that law enforcement agencies are his friends, that he does not need to be pushed around by organized crime and the mafia, and that he can use the forces of law and order for protection.

We need a royal commission to bring about a change in public attitude. That is why I plead with the Solicitor General not to reject this proposal. He should not reject it just because it is an opposition proposal or because it may look as though he caved in to the opposition. I do not think there is anyone on this side of the House who would not congratulate the Solicitor General and the Minister of Justice for adopting this proposal and making it their own.

Mr. MacKay: We would applaud them.

Mr. Leggatt: The House has been indulgent. I have taken a fair amount of time. I could go into much more detail, and perhaps I will at another time. However, I want to tell the Solicitor General, the Minister of Justice, and the Minister of Manpower and Immigration that any information I have, they can have. We are certainly willing to co-operate in any way we can to see that vice is stamped out.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I wish to take this opportunity to make a few comments on organized crime in Canada, and particularly on certain initiatives taken by the federal government to control and fight this problem. It goes without saying, Mr. Speaker, that if this were only a political matter, I would be the first to comply with the request of the hon. member opposite for because even if, politically speaking, it is not the most efficient way to control organized crime, it would be in my own interest to support his proposition. In fact, Mr. Speaker, if I do not support the proposition of the hon. member, it is because we have extremely serious reasons not to do so.

[*English*]

Mr. Speaker, much has been said and written about organized crime, and while it has been romanticized by some and deplored by commentators in the media and others, it is indeed a complex problem which requires a sophisticated response. There are, of course, different suggestions about the approach which should be adopted to deal with the problem of organized crime. The suggestion is made today that a royal commission of inquiry or some other type of public inquiry would expose organized crime, but at the same time it would also expose everything the police know about organized crime and thereby hamper police investigations.

Some hon. Members: Oh, oh!

An hon. Member: Nonsense.

[Mr. Leggatt.]

Mr. Peters: Be reasonable.

Mr. Fox: An alternative approach would be to try to assist the police in their efforts to organize and equip themselves to deal with this cancer which strikes at the very heart of our society. The question of a crime probe is one I have examined very closely and discussed in detail with the RCMP. I am sure hon. members opposite will agree that the RCMP has a great deal of experience in combatting organized crime.

Mr. Hogan: They tried it in the United States and it was successful.

The Acting Speaker (Mr. Turner): Order, please. The Solicitor General (Mr. Fox) has the floor, and I suggest that hon. members listen.

Mr. Fox: The very considered advice of the RCMP is that it would not be a good way of combatting organized crime. I am always impressed by the great depth of knowledge hon. members opposite have about the practices and procedures in other countries. I must say that they do not seem to be aware of the type of response that has been going on in this country since the mid-fifties. In the course of my remarks this afternoon I will try to bring them up to date.

However, first I would like to take this opportunity to make a few comments on the recent CBC television program on organized crime. While the efforts of the producers have, of course, heightened the awareness of many Canadians and served to inform many others, their methods, including serious insinuations and innuendoes, have left much to be desired. It has been acknowledged that it took 2½ years to produce three hours of television air time. It took 2½ years to put together film footage on cases which are already well documented. The so-called "French connection", for instance, has already been the subject of a book and two movies. That connection was undone as a result of international police co-operation.

Mr. Peters: Not one of them is in jail.

Mr. Fox: The hon. member's facts are wrong. Most of the people involved in Montreal are, or have been, in jail.

Mr. Peters: They are walking the streets.

Mr. Fox: The case of the Dubois brothers was well publicized as a result of the work of the Quebec commission into organized crime, and the work of the anti-corruption squad of the Hong Kong police has been covered by the media. The cases of Vic Cotroni and Paolo Violi are matters of public record and have received considerable media coverage in the past.

I do not make these remarks in a critical sense. I use them only by way of illustration. It took 2½ years to prepare a three-hour television program based in large part on material which is in the public forum. It is well documented and need not withstand cross-examination or scrutiny by the courts. On the other hand, police investigators must develop information, collect evidence and locate witnesses who will prove guilt

beyond doubt. The police cannot rely on hearsay, inference or innuendo. They must have evidence which is subjected to rigid scrutiny and cross-examination. The CBC seems to be able to use hidden cameras and hidden microphones without any criticism whatsoever from hon. members opposite, but that is the kind of thing they want to deny the police in their fight against organized crime, a fight which they are directly mandated to undertake.

Some hon. Members: Hear, hear!

Mr. Fox: If I may, I would like briefly to review some of the initiatives which have been taken with regard to combatting organized crime in Canada. These initiatives were taken by responsible law enforcement authorities, without fanfare. Attorneys general and police departments across the country are co-operating in a number of areas. For many years the Royal Canadian Mounted Police and other major police forces in Canada have been keenly aware of, and very concerned about, the influence of organized crime in this country. This concern was expressed during the 1950s when efforts were made to investigate the activities of residents in Canada who were in contact with or associated with individuals from other countries, particularly the U.S.A., who were involved with organized crime.

● (1600)

By the early 1960s the Canadian police community started to form, within various police forces, intelligence units to gather information and data on suspected or known persons controlling criminal activities. The RCMP, because of its national responsibility for law enforcement, began to play a liaison role to promote the formation of such units and the exchange of intelligence among major police forces in Canada. Attorneys general were briefed on the phenomena of organized crime and met to discuss the problem and possible solutions.

This brings me to January, 1966, when a federal-provincial conference of attorneys general was held in Ottawa. At that conference the hon. member for Saint-Hyacinthe (Mr. Wagner), who was at the time minister of justice for the province of Quebec, proposed the creation of a central intelligence bureau for the use of all police forces in Canada "to provide for the collection, analysis and dissemination of criminal intelligence to effectively combat organized crime". A resolution of the conference created a committee on criminal intelligence to explore the nature, scope and workability of a new central intelligence mechanism.

By August, 1967, the report of the committee on criminal intelligence recommended the formation of a Canadian criminal intelligence system with a central repository at RCMP headquarters, Ottawa; the establishment of provincial criminal intelligence centres in each province; that provincial criminal intelligence centres in the provinces policed by the RCMP be formed from RCMP criminal intelligence units already in existence; that the provincial criminal intelligence centres in the provinces of Ontario and Quebec be otherwise designated. They subsequently became the criminal intelligence service of Ontario and the Quebec research bureau on organized crime. In October, 1969, the name Criminal Intelligence Service of Canada was created.

In March, 1970, the Criminal Intelligence Service of Canada constitution and manual of procedure was formally adopted. The adoption of this constitution was truly a milestone. For the first time, Canadian law enforcement agencies had a formal base on which to develop a national system to fight organized crime. In this regard we are envied by the United States government because it has not been possible to do the same thing there. In 1970, there were five provincial bureaux in operation, namely the Quebec Research Bureau on organized crime, one in Manitoba, one in Saskatchewan, one in Ontario and one in Alberta. In 1971, three other provincial bureaux became operative in British Columbia, Nova Scotia and New Brunswick.

The Criminal Intelligence Service of Canada, central repository of criminal intelligence, is located at the RCMP headquarters in Ottawa within the national criminal intelligence branch, and the provincial bureaux are regional repositories. All repositories are designed to provide facilities for the collection, analysis and dissemination of criminal intelligence with the view effectively to combat organized crime in Canada. The CISC executive committee is comprised of 17 members representing major police forces in Canada. The idea is co-operation in the fight against organized crime. As of December 31, 1976, CISC regular membership consisted of 48 police agencies.

Perhaps, Mr. Speaker, you will permit me to outline some examples of the type of co-operation which exists as a result of the approach to organized crime which has been adopted, an approach which I fully endorse. Eight RCMP members assisted the Quebec commission of inquiry into organized crime. The RCMP in Vancouver has joined the Vancouver city police intelligence unit in developing profiles on major criminals and criminal groups to assist joint forces' operations. This is commonly known as the Vancouver integrated intelligence unit. An investigation in Toronto into an international bank inspector fraud in 1976 resulted in the arrest of a major organized crime figure and 18 associates. In Montreal, an operation involving the RCMP and police forces in Quebec exposed the well-publicized "tainted meat operation". The Criminal Intelligence Service bureau, via the American authorities, have established a gun tracing program on behalf of all police departments in Canada to stem the flow of illegal firearms into this country.

Mr. Speaker, the concept of co-operation has produced effective results. A recent joint force operation in 1977 in Toronto which involved the RCMP, the Ontario provincial police and the metropolitan Toronto police resulted in more than 60 charges being laid against 48 persons. These persons are suspected of being crime figures and their associates. The charges included fraud, extortion, assault, counterfeiting and drugs. There are a number of examples of joint force operations in Montreal, some of which are still before the courts. As a result of one such operation, nine charges of fraud and conspiracy were laid against three persons. In another case, six

charges of fraud were laid against four persons. In Halifax a very successful joint force operation resulted in 87 charges being laid against ten persons—fraud, extortion, arson, break and entry and drugs.

A joint force operation into a prostitution organization which operated in Alberta and British Columbia resulted in charges being laid against three major organized crime figures and five of their associates, as well as the prostitutes involved. I would like to emphasize that in this case three major organized crime figures were brought before the courts.

There are other examples of successful joint force operations in Winnipeg, Saskatoon and southern Ontario, but I do not wish to go into the details completely. I would, however, like to use one more case to illustrate just how well the joint force operation concept can work. In Vancouver there was a case where more than $3 million in cash, jewellery and precious metals were stolen. Criminal intelligence investigators were aware of the theft and were actively investigating it before it was reported to the police. Five persons were arrested in Vancouver and Winnipeg, and the case is still before the courts.

I fully acknowledge that organized crime constitutes a serious problem in Canada and that it extends to every field of criminal activity and is not confined by geography. Organized criminals are actively engaged in the drug trade, gambling, counterfeiting and commercial frauds on a local, national and international scale. In recognition of this, the RCMP has allocated the following resources to activities related to organized crime: The national criminal intelligence branch, 208 men; support services, 504—and this includes surveillance; commercial crime, 426; drugs, 709; customs and excise, 239; immigration and passport, 80; for a total of 2,166.

Yesterday, the hon. member for New Westminster (Mr. Leggatt) commented that there were only six members of the RCMP assigned to organized crime responsibilities in Ottawa. I suppose there are problems of definition, but A Division, RCMP, in Ottawa has 143 officers deployed on duties related to organized crime. I would be pleased to support this information with figures.

Mr. Peters: That is the traffic division.

Mr. Fox: As far as other major cities are concerned, the figures are as follows: criminal intelligence services in Toronto have 32 personnel; support services, 56; commercial crime squad, 66; drug squad, 77; customs and excise, 28; immigration and passports, 20. In Montreal, criminal intelligence services have 29 personnel; support services, 130; commercial crime squad, 100; drug squad, 88; customs and excise, 41; immigration and passports, 19. In Vancouver, criminal intelligence services, 29 personnel; support services, 128; commercial crime, 50; drugs, 102; customs and excise, 29; immigration and passports, 10. This is without counting the ramifications of the specialized people in police agencies at provincial or municipal levels across the country. Information coming from them is passed on to the other police agencies and constitutes a wide network of people highly involved in the fight against organized crime in Canada.

Mr. Speaker, I, for one, have confidence in the police and in the approach adopted to the problem of organized criminals and organized crime. I would like to support their efforts by supplementing the investigative tools available to them. We must remember that wiretapping during the course of a criminal investigation is controlled by the courts and that there are severe penalties for illegal wiretaps.

Mr. Woolliams: How many have ever been charged?

Mr. Fox: The point that must be made in response to the question raised by the hon. member is that in the case where any illegal act of wiretapping was brought to the attention of this government, immediate criminal charges would follow. What the hon. member is unwilling to recognize is the very serious manner in which authorization procedures for wiretaps are conducted in this country.

Mr. Woolliams: Have you read the cases?

Mr. Fox: The only thing I can deduct from the hon. member's course of questions is that he has lost complete confidence, not only in the police forces of this country and the senior officers who authorize wiretaps but also in the crown attorneys who must bring wiretap applications to the judges who have to authorize them, and he has completely lost confidence in the judiciary of this country who authorize wiretaps. The hon. member is intimating that the judiciary ought not to be authorizing those wiretaps. I am sure the hon. member will want to make those points himself.

We have seen examples of police co-operation in joint force operations in bringing organized criminals before the courts. This seems to me to be a responsible approach and one which will serve the needs of Canada and criminal justice. Since we are on wiretaps, I would like to reiterate some of the comments I made during the course of the debate on second reading of Bill C-51. I brought out certain statistics concerning the use of wiretaps and their successful use in completing investigations by the police into a number of areas, including organized crime.

● (1610)

The hon. member for Calgary North (Mr. Woolliams) repeated certain allegations to the effect that in 1975 or 1976 there were 1,062 persons arrested as a result of wiretaps, but only 13 resulted in convictions. I think it is worth while to point out that in the same annual report from which he was quoting there is an updated section for the year 1975. This updated section shows different statistics indeed. If the hon. member cares to read that part of the report, he will see that criminal proceedings in which private communication obtained under authorization were introduced into evidence led to successful prosecutions numbering 18 in 1975. The hon. member may also wish to look at the same report which indicates that the updated figure for 1976 under this section rose from 18 to 70. Similarly, under the same section of the 1975 report it

showed resulting convictions of 18. When the updated figures for 1975 were published in the 1976 report which the hon. member is so prone to quote, this number had risen to 69.

These figures reflect only those prosecutions and convictions made with the use of wiretap evidence produced in court. I underline the words "produced in court". It is, of course, important to realize that a lot of people who have been arrested as a result of wiretap information decided to plead guilty when confronted with the wiretap evidence. That is something that was not brought out clearly by the hon. member. In such cases, the actual wiretap evidence is not produced in court. The updated figures for 1976 show, under the relevant sections, which are (1) and (m), that 514 convictions out of 1,492 arrests resulted directly or indirectly from evidence obtained through wiretaps. Of course, the prosecution of many of those who were arrested and charged in 1975 is still before the courts. The end result should be a very high ratio of convictions to arrests on the basis of evidence collected under the provisions of this law.

The statistics indicate several points. First, where wiretap evidence is produced in court the resulting conviction rate is almost 100 per cent. Second, the annual reports required by parliament—and perhaps we should change it—do not at the moment reflect actions before the courts which at the time of compilation were still incomplete. Accordingly, it is necessary to analyse not just one year's report but successive years' reports in order to fully appreciate the success achieved under this law.

To get back to the main subject of discussion, I am sure that all provincial attorneys general are concerned about organized crime. The Minister of Justice (Mr. Basford) and I will be meeting with the provincial attorneys general later this month. There will, of course, be an opportunity for an exchange of views on methods of dealing with the problems. Unless there has been a very recent change of approach, I understand that all attorneys general support the concept of co-operation and joint force operation and do not support the idea of the institution of a national inquiry into organized crime.

There are many who advocate a royal commission or similar type of public inquiry into organized crime. I admit that there are some advantages to this approach. It does create an awareness among citizens of the nature and extent of organized criminal activities. It may expose the techniques employed by organized criminals to exploit an unsuspecting and unaware public. It would also expose key figures of the organized criminal community, their connections and the extent of their influence in legitimate activities. It would probably also expose organized criminals without having to gather the evidence necessary to produce in court.

There are definitely drawbacks, as well. The question surely arises as to whether it would be a satisfactory approach to a problem as complex as organized crime. A public inquiry would, of course, require a large staff of investigators and support personnel. Many of these people would have to be diverted from their current police responsibilities: that is undeniable. The diversion of police resources, and the publicity generated by a public inquiry, would without any doubt whatsoever—and I am clearly advised in that regard by the RCMP who have a great deal of expertise in this area—hamper ongoing, current investigations.

There may be a time when the drama of a public inquiry would be helpful, but at the moment one must remember some of the main disadvantages of a public inquiry. It would expose evidence and information in the hands of police as well as investigative techniques, without bringing criminals before the courts where they could be dealt with according to law.

I have given examples of joint police force operation right across the country, the type of network the federal government set up along with provincial attorneys general to establish a national system of intelligence of criminal activities in Canada, with the resultant prosecution. We just have to look at what has happened in Halifax, Toronto, Montreal and Vancouver over the past few months. It indicates quite clearly we are on the right track in combatting organized crime in this country.

Mr. Gilbert: Tell that to the public; they do not believe it.

Mr. Fox: The hon. member says the public do not believe that. My responsibility as a minister of the Crown is to ensure that the most productive way of fighting organized crime is the one that is used in this country, not to try to come up with the most popular way of fighting organized crime which is not at the same time the most productive way. I am willing to stand here and say that at this stage I have not been convinced that it would be productive for the police to fight organized crime through a royal commission of inquiry which would be held in the full light of day. I am willing to accept the fact that what I am saying today is not politically popular in the country. However, I am willing to take my responsibility as a minister of the Crown and my responsibility to the people of this country to see to it that the productive way of fighting organized crime is indeed undertaken by the police forces of this country.

An hon. Member: You are being the spokesman for the police.

Mr. Fox: The hon. member says I am being the spokesman for the police. I have spoken to people in the police who are extremely knowledgeable in these matters, a lot more knowledgeable than members opposite who are not interested in the fight against organized crime but in scoring political points in this country because they think an election is coming up.

Some hon. Members: Oh, oh!

Mr. Fox: If hon. members will give me the opportunity, I will conclude and have the great pleasure of listening to their words of wisdom in this debate. Organized crime should be dealt with by the criminal justice system, the police, the prosecutors and the courts. Hon. members can assist this process by responsible support of legislation designed to combat organized crime and protect our society.

Organized Crime

Mr. Woolliams: Mr. Speaker, I was wondering whether, with the consent of the House, I might be permitted to put a question to the minister.

The Acting Speaker (Mr. Turner): The minister's time has not yet expired. Will he accept a question from the hon. member?

Mr. Fox: Yes, Mr. Speaker.

Mr. Woolliams: Mr. Speaker, I will preface my question by saying that I am in favour of a federal royal commission to investigate crime. In his presentation the minister left the impression that a royal commission would be harmful because it would upset investigations by various police forces across the country. I ask him this question and I hope he is as honest as he is pious. Does he think what came out of the royal commission in the province of Quebec was positive, or negative?

● (1620)

Mr. Fox: Perhaps I could answer the hon. member's question by putting another question. Would he like to tell me how many new prosecutions arose out of the inquiry into organized crime in Montreal? That was, of course, a decision taken by the attorney general of Quebec, as was his right. He came to the conclusion that in the circumstances an inquiry in that province would be useful. Undoubtedly it had some value, but perhaps the hon. member would like to tell me how many new prosecutions were entered upon as a result of it.

Mr. Stanfield: There's a brave Solicitor General.

Mr. Fox: The hon. member for Halifax (Mr. Stanfield) appears to have some comments to make. There was only one case that I can think of. It was the one into the tainted meat business in that province. The material had already been developed by the police, and the hon. member cannot assure me that prosecutions would not have gone forward in any event. I have not examined the situation which the attorney general of Quebec had to deal with when he decided to come up with that case, but I am saying that very few prosecutions resulted from the inquiry, leaving aside penalties imposed for contempt. If the hon. member can point to additional evidence which came out at that time, evidence which was not available to the police earlier, I would be very pleased to hear from him.

Mr. Stanfield: That is the longest evasion I ever heard.

An hon. Member: A good answer.

Mr. Eldon M. Woolliams (Calgary North): An hon. member across the way said it was a good answer. It was no answer. If you talk to the police chief in Montreal, as I have done, the information one gets is that the inquiry is assisting the police in their work. The Solicitor General (Mr. Fox) talks about one case, the one he mentioned which involved dead meat carcasses being ground into hamburger, and so on. I would think that this, in itself, was enough to justify the inquiry even if nothing else came out of it; and, in fact, a great deal came out of it.

I want to tell hon. members opposite where we stand as a party. We support this motion wholeheartedly. We have always believed there should be such an inquiry. I intend to put on record the number of times we have asked for an inquiry by the federal government, particularly in light of the answer of the Solicitor General yesterday. First, by what authority has the government the right to set up a royal commission into organized crime? Let us turn to section 91(21) of the British North America Act, which provides that the criminal law, except the constitution of the courts of criminal jurisdiction but including criminal matters, falls directly within the power of parliament. It is true that according to section 92, the administration of justice in the provinces, including the constitution, maintenance and organization of provincial courts, both civil and criminal, falls under provincial jurisdiction. But basically, legislation within the criminal law falls under the jurisdiction of the federal government. This is particularly the case, as the hon. member for Northumberland-Durham (Mr. Lawrence) pointed out yesterday, when questions of immigration, narcotics and other subjects dealt with by federal statute are concerned.

The necessary authority is already in the hands of the government, and I submit the time has come to set up a royal commission to deal with organized crime. The only excuse the government gives for not doing so is that Bill C-51 would solve the whole problem. Let us deal with the question of wiretapping. I proposed to quote from the annual report of His Excellency the Governor General of Canada presented as required by the Criminal Code, section 178(22). Ministers are always trying to deny these figures, but this is what it says on page 6:

> The number of persons arrested whose identity became known to a peace officer as a result of an interception under an authorization was 1,062.

In the following paragraph we read:

> The number of criminal proceedings commenced at the instance of the Attorney General of Canada in which private communications were obtained by interception under an authorization were adduced in evidence, and the number of such proceedings that resulted in a conviction was 13.

That is, the number of authorizations used amounted to 1,062, and the number of convictions totalled 13. Those are the facts. The government cannot deny them, no matter how they try. That is from a report of the Governor General. Yesterday, as reported at page 6642 of *Hansard*, the Solicitor General had this to say in answer to the Leader of the Official Opposition (Mr. Clark):

> The hon. member also asked a more general question in connection with organized crime. Listening to the opposition during the course of the question period this afternoon, one gets the impression they discovered organized crime on Monday and Tuesday nights by watching television.

What is the real situation in that regard? I want to put on record the number of times members of this party, including the right hon. member for Prince Albert (Mr. Diefenbaker), myself and others, have asked for a royal commission to look into organized crime.

An hon. Member: What have they got to hide?

Mr. Woolliams: As reported at page 8343 of *Hansard* of September 23, 1964, I put a question to the then prime minister concerning allegations that there might have been corrupt practices in reference to the administration of the law in the Banks' case. This was the subject of an inquiry by the Norris commission, after several men had been murdered by turning on steam in a furnace. Judge Norris recommended at that time the setting up of a royal commission to investigate syndicated crime. My own plea that a royal commission be set up was refused by the prime minister of the day, the late L. B. Pearson.

On October 13, 1967, as reported at page 3062, of *Hansard*, I again asked for the setting up of a royal commission because of certain facts which had come to light and because ex-commissioner Harvison of the RCMP, contrary to the view taken by the solicitor general, had stated that organized crime was coming into Canada from the United States. The prime minister, Mr. Pearson, said no. He did not think the establishment of a royal commission would solve anything.

Now we come to February 24, 1969. Our party whip from Edmonton Centre asked that a royal commission be set up. In reply, Senator McIlraith, as he is now, said:

> I do not believe, and I cannot believe, the premise on which the question is based.

He refused the suggestion that a royal commission be established. When the Solicitor General suggests we only found out about organized crime by watching television, I would draw his attention to these representations on behalf of our party. On January 27, 1969, the right hon. member for Prince Albert dealt with the subject of organized crime and, as reported at page 4837, of *Hansard*, said he would like to see a little action taken. He recommended that a royal commission be set up to look into the question of organized and international crime in co-operation with the provinces. So I do not think we discovered this type of crime by viewing CBC programs. Again, on February 5, 1971, as reported at page 3124 of *Hansard*, my right hon. friend from Prince Albert stated:

> In the spirit of reform which has always been a reason for action on his part, I should like the minister to consider the setting up of a royal commission to look fully into the question of the infiltration into Canada of international wrongdoers—

● (1630)

He was referring, of course to Hong Kong. Then, again, the right hon. member for Prince Albert, on November 28, 1973, at page 8247 of *Hansard,* after setting out certain facts and referring to 95 cases involving international crime, immigration and other matters which had come to his attention, asked for a royal commission. Again it was refused. Then on March 7, 1974, the right hon. member for Prince Albert repeated his plea, and again it was refused by the government on flimsy arguments.

When the Solicitor General says that we have only just found out about crime, I would remind him, as did the hon. member for New Westminster (Mr. Leggatt), that the hon. member for Saint-Hyacinthe (Mr. Wagner) moved a motion similar to the motion today on November 12, 1974. The hon. member for Saint-Hyacinthe talked about his career yesterday. He mentioned that he was the solicitor general of Quebec, minister of justice of Quebec and was a judge who had to have his home guarded because he stood up against the mafia. So we did not find out about crime from the CBC for the very first time. Our position has been a positive one; we have continued to ask for a royal commission.

Again, on October 20, 1975, the hon. member for York-Sunbury (Mr. Howie) asked for a royal commission. His request was refused. On January 27, 1976, as reported at page 10357 of *Hansard,* I asked for a royal commission. In light of the program shown on the CBC, the knowledge we have had since 1964, the pressure that has been brought by this side of the House on the government, and the recommendations of Mr. Justice Norris flowing from his inquiry into the SIU which revealed the tremendous depth of organized crime across this nation, I say now is the time to set up that royal commission.

Why do we believe we should have a royal commission? Apart from the facts I have related, let me examine what a royal commission can do which a court cannot do. If you set up a judicial inquiry or a royal commission into organized crime, in the terms of reference provision is made for the subpoenaeing of witnesses and documents and the right to cross-examine those who are involved in organized crime.

I am sure that the Minister of Justice (Mr. Basford) and the Solicitor General will agree with me that one of the most difficult charges to prove under the Criminal Code is the charge of conspiracy. It is always difficult to link facts together so as to secure a conviction either by a judge or a jury. The reason for this is the good principle that an accused never need say anything in his defence; the Crown must always prove their case beyond a reasonable doubt. But with a judicial inquiry there is a different set of rules. Hardened, syndicated criminals who pay to murder, to rob and to corrupt, or their agents, can be brought before a royal commission and interrogated under oath by lawyers for the commission and people from various parts of society who are interested. Their answers are given under oath. You can also document your case and in this regard ask for police assistance in getting the material required. In that way you can find out who is who.

For example, we would never have known that at the recent Montreal world fair the carcasses of six diseased cattle were ground up into hamburger, chewed up with onions and sold at inflated prices, were it not for a judicial inquiry. We can also discover what kind of corruption is taking place under the Immigration Act and what corruption may be going on in the field of drugs.

I am not being political now when I say that I am always amazed when governments in this country take great credit for the number of convictions they obtain. The government is ready to bust a little kid at university for smoking marijuana, but it fails to get the hardened criminals involved in the trafficking of drugs. This is why we need a judicial inquiry, so

we can find out who these people are, how they get into this country, how much infiltration there is from the United States, Europe, Asia, Hong Kong or any other place. I agree with the hon. member for New Westminster; it is beyond my comprehension how the government can continue to say no to a judicial inquiry.

Therefore, I can only ask the government this: Do they fear an inquiry? Have they got something to hide which they know about, such as Hal Banks or Doyle?

Mr. Basford: Oh, come on.

Mr. Woolliams: I do not know whether they have, so let us have an inquiry.

Mr. Basford: This is a serious subject.

Mr. Woolliams: It is a very serious subject and I wish the minister would treat it seriously instead of brushing it off or hiding behind a smokescreen. The only thing the government has done to control crime was in connection with capital punishment. Although we on this side had a free vote on that issue, the vote was not free for cabinet members. The increase in the crime of murder went up by 115 per cent in one year in Canada, and much of that is committed by organized criminals. I say that the time has come for a royal commission to investigate organized and syndicated crime.

Ten years ago the press were saying that racketeers and organized criminals were better co-ordinated than Canadian lawmen. RCMP officials at that time gave us the dire warning that United States crime bosses were taking over this country. Jet age crime, as one columnist called it, was challenging on a big scale, exploiting the weaknesses of divided authority and loose liaison. The right hon. member for Prince Albert, in commenting on the Speech from the Throne in 1967, has this to say:

> There is not a word in the speech about crime. I do not intend to fill the record with statements of recent days about the mafia, but there is no doubt that there has been and is today a continuing disregard of the law by persons responsible for this situation . . . the time has come to do something in connection with the crime explosion. I suggest a royal commission to look into the whole picture of crime and its expansion.

On September 23, 1964, in relation to the Banks affair—I know my hon. friend does not like that—I asked the then prime minister, Mr. Pearson, for a royal commission which would, among other things, determine how Banks was able to ignore and avoid the law. Banks was convicted, let out on bail and he left the country. The then secretary of state for the United States admitted that the Democrat party had received $100,000 from the SIU, from the man who Canada allowed to escape, the man who many in the press claim, not by innuendo but on police information, had political connections in this House. The right hon. member for Prince Albert went on to say:

> I should like to see a little action with regard to international crime.

But we have had nothing but words. As I have said, on October 13 the Prime Minister (Mr. Trudeau) perpetuated the policy of his predecessor and said that the government would not yield to the request of the opposition for an investigation into syndicated crime in our urban cities. As I say, all words and no action. Then on February 5, 1971, the former prime minister said, as reported at page 3125 of *Hansard*:

> —I should like the minister to consider the setting up of a royal commission to look fully into the question of infiltration into Canada of international wrongdoers—

We have lots of evidence in this regard, so again I ask in all seriousness, why is the government saying no? The Solicitor General says that this might interfere with the police. The facts are that the province of Quebec found syndicated crime existing in Montreal, and by setting up an investigation they were able to help the police through the evidence which flowed therefrom. We cannot tell how many cases where charges were laid and convictions obtained resulted from that investigation. During that time many of these people left Montreal and went to other cities.

Another matter I cannot understand is this. In Bill C-83 the Minister of Justice included a section which was in the bill last session, a criminal amendment, giving authority to the provinces to hold an inquiry. We said then that they did not need that law. The Supreme Court of Canada says that under the British North America Act, Canada has the authority, in reference to the administration of justice under section 91, to hold that royal commission. The government has advocated leaving this up to the provinces. Are we going to have, apart from Quebec, nine royal commissions looking into the problems across the nation? It is time this government, the Minister of Justice and the Solicitor General measured up to their responsibilities.

● (1640)

Good, hard police work, without wiretapping, found out that Eaton's in Calgary, on a big sale day, would be blown up in order to get money out of their vault. How many people would have been murdered? The ring which was going to blow up Eaton's in Calgary came from Vancouver, Montreal and Calgary. Across this land there are syndicated people receiving money for murder, fraud and all types of crime as described under our code. That degrades the whole social structure of this country and erodes our youth and the people across this land.

I see, Mr. Speaker, you are about to rise. This is an important subject and I will not take longer than my 20 minutes. I should like to end with these words. For ten long years this party has stood positively for a royal commission set up by the federal government to investigate crime. That is our policy, and that is what we will do when we are elected to the government of Canada.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, during the few minutes allotted to me I would like to make a few comments on the motion moved today by my colleagues of the New Democratic Party on the relevance of a royal commission on organized crime in Canada. It is not a matter which can be easily solved. I heard the speech made by the mover (Mr.

Leggatt) as well as that of the Solicitor General (Mr. Fox) and I was surprised to note that with sometimes plausible arguments the proposition has been lightly dismissed.

Mr. Speaker, due to the complexity and the importance of the matter, I do not believe that we should merely dismiss a proposal for the establishment of a royal commission on organized crime. Besides, the minister recalled that government action can be summed up in about 27 years of history, more precisely, it goes back to 1968, when various police forces started a cooperative movement to try and stamp out organized crime.

Mr. Speaker, our country is still young, but we must admit that crime is not marginal, it is organized. It is made up of men, women and young people, it is everywhere in Canada, not only in Quebec or Ontario, it is found in all provinces and in all major cities. It has its own financial means, and they are tremendous, its own leaders; in short, it is organized. Mr. Speaker, I would even say it is a parallel organization which works within the state and had tentacles gradually reaching some officials and certain departments. Of course, they have their inside quarrels. Sometimes it gives the impression of so-called political scandals, but we know it exists.

Mr. Speaker, I ask myself this question briefly but seriously to answer the motion of the New Democratic Party. We know, on the one hand, that organized crime exists in Canada, that it has its tentacles, that it is well organized and that more often than not it thwarts the police forces of the country. On the other hand, we in Quebec, particularly in Montreal, have had the experience of the Commission of Inquiry into Organized Crime, and I am tempted to say like the Solicitor General (Mr. Fox) that that commission only succeeded, in the end, in damaging the reputation of a number of simple people whose picture we saw on television. It provided money and paid judges and lawyers. It was, all in all, a source of amusement for a great many people. But if we consider the number of proceedings which were instituted as a result of this inquiry into organized crime, we can wonder to what extent such a commission can effectively fight against organized crime.

On the other hand, Mr. Speaker, the point of the mover was that a royal commission would cause every Canadian, every Quebecer, every Ontarian to wonder seriously about this, to increase his awareness of organized crime and to change his attitude as to the co-operation he should offer our police forces, something we are all seeking. Then, Mr. Speaker, the Solicitor General argued that a royal commission would not be effective against crime, whereas the mover emphasized that it would increase the awareness of the Canadian public, open to the public a number of files, force various police corps to come clean, in a positive sense, and review their methods. Mr. Speaker, then, I think that that argument nullifies the Solicitor General's argument, and is valid as far as we are concerned.

We have heard in the House, at least since I first came here in 1968, great speeches occasionally from solicitors general—and we have had many of them since 1968—or indeed from ministers of justice about how serious the government was in its fight against crime. I might recall for example the famous omnibus bill, and the government proposals regarding the use of wiretapping in this country; I might also recall several questions raised in this House, and positions stated by various ministers on the role of the Royal Canadian Mounted Police. I might also recall a government proposal for gun control in this country.

All that is part of the means of action this government has to fight against organized crime of all kinds.

● (1650)

Just as you did, Mr. Speaker, I heard that controlling firearms in Canada, controlling their circulation, sale, distribution and use would have the direct effect of controlling organized crime or facing up to it. However, it is becoming ever more obvious that we control the firearms of law-abiding citizens. The firearms of the so-called criminals or bandits are not better controlled. As if a gangster will have his weapon registered. We would be very naive to believe this. I can hardly understand why the minister and his predecessors put forward this kind of arguments to say that the government is serious about this control.

I believe the minister said earlier that over 2,168 people are employed in the fight against organized crime. So there should be some action, some fight. What has the government to conceal about their methods? On the one hand the government is serious about controlling organized crime, they have the means, the methods, the men and, on the other hand, there is more and more uncertainty, fear, dissatisfaction among the public in Canada as far as the administration of justice in general is concerned. Therefore why not reconcile those two common and converging goals and set up a public inquiry on organized crime so as to stir up public opinion and reconsider methods used by the RCMP and other police forces.

Mr. Speaker, when I happen to think about it I wonder sometime if society itself is really committed to fighting crime. Not long ago—and I am sure that members from Quebec will remember that event—important demonstrations were being held in Quebec, not by anybody but by our law enforcement agents, our policemen, who merely wanted to pair up in police cruisers. They stated in a very clear, efficient and strong manner the reasons for this request. Of course, this does not come under federal government jurisdiction but it is part of the same society, the same approach. This request allowed for a remarkable debate. Public opinion supported our policemen's request. I did too because I thought it was normal that our policemen be not only well organized and equipped but that they could work in a way not to serve as targets for criminals and be in a position to defend themselves. How often have I intervened in the House, since 1968, asking the government to invest more money in crime prevention and juvenile delinquency! When I was a member of the Standing Committee on Justice and Legal Affairs, we looked into the matter. It is absolutely unbelievable that it should take so long to act on it. One need but consult the figures published by Statistics Canada, and repeated by the Solicitor General and again by

many other hon. members, to realize that with regard to crime in this country we are somewhat like fire brigades: quite content to put out fires whenever they occur. We do not prevent crime. In any event, the methods the government claims to apply have clearly proved to be inefficient to fight against crime at its source.

Our judicial system is weak in many regards. When one knows how judges are appointed, one wonders about the quality of their decisions, since appointments to the bench are political in nature. Is it any wonder then that at times people lose faith in the administration of justice? I say that is serious, because when the day comes when citizens lose confidence in the administration of justice, one of the three fundamental powers in our country, the executive, the legislative and the judiciary, we reach the point where concern about the future becomes acute. The mechanism for the appointment of judges should also be revised.

Our crime prevention methods will have to be re-assessed. It is not enough to say that a royal inquiry will be carried out: most of all, we will have to know exactly what will be investigated, what powers the commission will have. I think we have to know. For the experience to be valuable, to be more than the mere public display of ruffians connected with organized crime, we will have, Mr. Speaker, to take that opportunity to re-assess our methods for preventing crime, juvenile delinquency, to know how delinquents are dealt with, how much money is invested.

Mr. Speaker, we will have to ask ourselves what crime is, and here I thank the mover of the New Democratic Party for making the House aware of that issue and giving us the opportunity to speak. They say they will fight organized crime. Some call for the establishment of a public inquiry. So, what is a crime? Is it, Mr. Speaker, when somebody is deprived of certain rights? Is it somebody's action which deprives ofthers and society of their rights? Just what is a crime? Is it strictly a question of murder? In that case, we will have to speak particularly of crime, of its commercial aspect and this is a point which I find highly interesting.

Mr. Speaker, the Social Crediters have spoken about it long ago and I am sure that the minister is going to find it amusing and is going to say that Social Credit members always manage to talk about the Bank Act, even when debating a motion on organized crime. But from our point of view, Mr. Speaker, the bank system is very close to organized crime. I see that the minister finds it amusing. If he wants to find it amusing, there will be two of us to be amused. Here is a list of about 700 to 800 workers from my riding who are threatened with the loss of their holiday pay because plants will be closing and because the creditors will act under section 88 of the Bank Act.

That, Mr. Speaker, is a direct theft which will be made on the workers' back. The closing of those plants will take place on July 1 if nothing is done to stop it in the meantime and if the government does not intervene. These plants, Mr. Speaker, are not typical of our area, as one finds them throughout Quebec. They make furniture. It is not a final decision, but according to our information, and we have every reason to believe it is accurate, the holiday pay will not be paid to these employees because the creditors are hiding behind the famous section 88 of the Bank Act. Who pays for these holidays? It is a deduction from the worker's pay to pay him holidays when the time comes. He earns this money by the sweat of his brow, by the long working hours which he has worked. It is not a theft, it is a right. This holiday pay belongs to him. On top of losing his job, Mr. Speaker, when he has been working in a factory for 10, 15 or 20 years, he is about to lose his holiday pay, currently known as the 4 per cent. This is commercial fraud. This is not part of organized crime for the government. Banks can act and behave just as they want, there is no problem—

Mr. Gauthier (Roberval): It is a legal theft!

Mr. Fortin: As my colleague, the member for Roberval (Mr. Gauthier) suggests, it is a legal theft. Mr. Speaker, the worst bandits are not necessarily people who got locked up by the police. There are a good number of them who are still at large and who, under the cover of law, as civil servants or as presidents of banks, think nothing of exploiting others. Regarding loansharking, for example, the government says that it is going to introduce a bill against loansharking—

Mr. Gauthier (Roberval): They are the ones who allowed this.

Mr. Fortin: What a joke! If we had loansharking, it was precisely because this government allowed it. The government says it is going to control loansharking, but at the same time it is lending money to the government of Quebec to build low-cost housing for old people, at an interest rate of 10 per cent, with compound interest calculated every three months.

That is another type of legal robbery, but that is not considered as organized crime: it is legalized, it is part of the rules of the game. Mr. Speaker, after hearing what the Solicitor General (Mr. Fox) had to say, a man whom I hold in deep respect, I suggest that he has handled this matter quite superficially. When it comes to setting up a royal inquiry commission on organized crime, I agree for the basic reason that this will help us create some awareness among the Canadian people. On the other hand, I would agree with it provided the mandate of this royal inquiry commission is enlarged to include a study on the effects of the implementation of the bank system in Canada. What is happening in the bank system is quite important, but he seems to find it funny. As if it were a joke! But it is far from being funny when one considers that our fellow citizens are left out to struggle with certain sections of the Bank Act.

I suggest this is legalized robbery and that the government has no right to close its eyes on such practices. A while ago, I was listening to the Solicitor General. I would like this to be my last remark, he sounded very serious, very committed in the fight against organized crime, yet, at the same time, he is the man who abolishes capital punishment. Isn't that a feat of logic! The abolishment of capital punishment simply shows today that killing is not a serious matter: any man can do what

he wants. Oh, sure, he is going to be penalized, all he has to do is post bail and he simply gets out, right in the street. What about the National Parole Board? It is the same thing with them, everything is fine; it is almost a vacation board for some prisoners, this one comes back, the other gets out and that other one is travelling.

We are about to see on the roads a new type of signs: Warning—Prisoners crossing. Yes, they are about to do it. When I was a little boy, I could see warning signs that read! Caution—Animals crossing. But now what we will see is this: Caution—Prisoners crossing. Yes, they get in, they get out and they move around. No wonder Canadians are generally preoccupied with this matter. The hon. member for Richmond (Mr. Beaudoin) sat on the committee that reivewed penitentiaries and he visited some. Take a look at the recommendations of that committee. They were unanimous and quite positive. Mark my words: Within three or five years from now, this very subject will again be debated in the House. We will only find out that the results will have been almost zilch just as what came out of all previous royal inquiry commission. This is why I say that in principle I cannot disagree with the proposition of the New Democratic Party concerning the establishment of a royal commission. But this proposition is not enough to show that we really want to fight organized crime.

Mr. Speaker, we have an alternative: If we want law and order, we will adopt mechanisms and legislation proving that we are serious and consequently we will punish those who violate the law and encourage those who abide the law. I think that is essential. The government must think twice before off handedly dismissing this proposition. On the other hand, I invite my colleagues of the NDP to specify what will be the extended terms of reference they wish to give this commission.

● (1700)

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, my colleague, the Solicitor General (Mr. Fox), as the minister to whom the RCMP reports, has given a full and comprehensive statement on behalf of the government on the motion before the House. However, I want to cover very briefly a few points that result from the statement of the hon. member for New Westminster (Mr. Leggatt).

First, I want to say to him that he asked us to be non-political and then he proceeded himself to be immensely political, as did the hon. member for Calgary North (Mr. Woolliams). Surely there is no disagreement in the House, on either side, that we must search continuously to find in this country the most effective means of combatting organized crime. Little is achieved in the search for the most effective method by trying to turn this into a political argument or trying to attack the motives of this or that party. I am saddened by the political approach that the hon. member for New Westminster took to this whole issue. Our objectives in the House have been, and continue to be, to find the most effective way to deal with organized crime. Its influence in Canada is pervasive, it is vicious, and it is costing our economy millions of dollars and countless lives. Its addition to the crime picture in Canada is frightening to all of us involved.

The CBC, in its program, has brought to a wider public some knowledge and recognition of the problems in this country relating to organized crime. But I want to make it clear, as did the Solicitor General, that that program brought forward nothing that was new—most of it was already public knowledge—and certainly nothing that was not already known to law enforcement officers across the country. The hon. member for New Westminster seemed to think that that program has suddenly put a new light on organized crime in law enforcement circles. That is without foundation.

It would seem to me that the most important thing in debating this motion is that we want, and it seems to me that the people of Canada want, not inquiries but action. They want to see people investigated, charged, prosecuted effectively, and incarcerated in our penitentiaries. As the *Globe and Mail*, with which I often disagree, said the other day in an editorial on this issue—they were referring to an attorney general—"He talks of an inquiry. We have had inquiries. What we need is prosecutions". I totally agree with that.

The Solicitor General has pointed out in his statement the methods that Canadian police forces are using by joint force operations to get prosecutions. To bring an air of reality to this debate I would like to read into the record a statement that was issued a few moments ago in Toronto by three of this country's major police forces, the metropolitan police force, the Ontario provincial police and the Royal Canadian Mounted Police. It reads:

> The metropolitan police force, the Ontario provincial police and the RCMP have been aware from the beginning that the CBC was involved in a research program in order to produce a documentary exposing some aspects of organized crime in Canada. We have all viewed the program and we will comment on it as it pertains to Ontario. We make no comment on the factual accuracy of what was shown on this program. However, as far as we are concerned there were no new facts of any investigative evidentiary value that were disclosed.
>
> We recognized for some time that organized crime is active in Ontario. The three forces represented have been continually working to prosecute those persons involved in such criminal activities. These investigations have been carried out independently as well as in combined force operations. In respect of a number of people mentioned in the documentary, in so far as Ontario is concerned, there have been prosecutions and convictions and charges are pending against others.
>
> For example, Papalia along with Sheldon Swartz was recently convicted of extortion and sentenced to six years in prison. Cotroni and Violi were also convicted of extortion and while the convictions have been quashed by the Ontario Court of Appeal, leave to appeal that decision to the Supreme Court of Canada is currently being sought by the attorney general's department. Paul Volpe has been charged with conspiracy to defraud. This case is currently before the courts.
>
> In the past five months, combined force operations have charged in excess of 60 people whom we have identified as being involved in organized crime in Ontario. Charges have been laid ranging from extortion in connection with loansharking, counterfeiting, fraud, gambling, offensive weapons and drugs. The three forces are also continuing to enhance their efforts towards prosecuting persons involved in organized crime. This approach is in accordance with the public statement made by the solicitor general of Ontario, the hon. Mr. MacBeth, on April 19, 1977. The province of Ontario has provided the OPP with additional resources and the attorney general, the hon. Mr. McMurtry, has assigned prosecutorial staff from his ministry to handle the prosecution and to provide legal advice to the police during the investigation.

I would say, parenthetically, that the Solicitor General indicated in the House the other day that the same situation prevails in this government. When the government announced the restraint program on government expenditures, the Prime Minister (Mr. Trudeau) explicitly exempted from those restraints law enforcement officers and the RCMP. I continue to read the statement issued, as follows:

Organized crime can, of course, not be combatted by the police alone, we require the support of the public, the other components of the criminal justice system and our legislators. For example, speedy passage is required of amendments to the wiretap legislation which will permit us to more effectively investigate organized crime. Many of the amendments proposed in Bill C-51 are good ones but in our view they do not go far enough because they do not provide any effective expanded authority to wiretap in relation to organized crime. We understand that the CACP has recommended that the definition section of the legislation be changed to make this possible.

An hon. Member: Who wrote that?

Mr. Basford: If the question implies that I did, let me say that obviously I have no authority or control over the Ontario provincial police. I continue to read as follows:

● (1710)

We are unanimous in the position that a public inquiry in Ontario is not necessary at this time. With improved legislation and the support of the public and other components of the criminal justice system we are confident that with our policy of combined force operations which assist in providing effective detection and prosecution we can deal with the organized crime problem in Ontario.

Mr. Leggatt: Mr. Speaker, I wonder if the Minister of Justice would permit a brief question on that interesting document.

Mr. Basford: Yes, Mr. Speaker.

Mr. Leggatt: The minister has very significant experience in terms of the operations of police forces. In his experience, has he had a request from a police force that he conduct a public inquiry into itself? In his experience as Minister of Justice or as a member of parliament, has this happened?

Mr. Basford: Mr. Speaker, I really do not know what relevance that question has to this debate. The motion we are debating deals with appointing a commission to inquire into organized crime, and the question relates to some investigation into police operations, so I must admit that I have no idea what connection this has with the debate.

I have consistently said in this House over the last few days when this issue has come before us that since 1975 reports tabled in this House by solicitors general, made by the Royal Canadian Mounted Police, by provincial attorneys general and by their police advisers, have shown that the present wiretap provisions are not effective in dealing with organized crime. When the legislation was first passed, Mr. Paul Atkey, who was a Conservative member from Toronto, worked very hard on that legislation. The scheme was that authorization to wiretap for a group of named offences could be obtained. Then there was concern that there should be some general section which would allow police authorities to use electronic surveillance against the organizers of organized crime. Wording was put into the second part of that section to deal with organized crime. We are advised by police authorities from one end of Canada to the other that that second part with that definition of organized crime is not working and that the purpose of parliament in 1974 is being defeated.

I plead with the hon. member for New Westminster to understand that in 1974 parliament, conscious of the civil rights of Canadians, endeavoured to word a section so that electronic surveillance could be used against organized crime.

Mr. Rodriguez: It was a minority government.

Mr. Basford: The evidence we have had since is that that section is not working. Therefore, surely it should be amended. I plead with the hon. member for New Westminster to consider carefully that in 1974 parliament endeavoured to deal with organized crime. We have been advised year after year by officials that that section is not working. Therefore, we should deal with the section in committee this week and amend it in accordance with the advice we are receiving from attorneys general, from police authorities and from the advice contained in the brief of the Canadian police chiefs.

The other aspect of this is the notification which can be limited to 90 days. Apparently, the CBC took 2½ years to make a program, most of which was public information which did not have to stand up in court and which did not have to be proved beyond a reasonable doubt. The CBC took 2½ years, yet the parliament of Canada, in its law, says to the police that in investigating organized crime they can be limited to 90 days.

Some hon. Members: Hear, hear!

Mr. Basford: Surely, as law enforcement officers, we have a responsibility to this parliament and to the people of Canada to put that on the record. As I have said a number of times in the committee and in this chamber, parliament has a duty to deal with this matter without rhetoric, without emotion and without politics.

Some hon. Members: Hear, hear!

Mr. Basford: But the hon. member for New Westminster, who I think is opposed to wiretapping of any kind, says that it would be good for the police to go out on the beat and to do some police work. That will catch ordinary house and garden criminals but it will not catch the godfathers of organized crime. Surely, the suggestion of the NDP that that is how we are going to investigate, charge and prosecute the godfathers of organized crime in this country shows that the NDP does not know what it is talking about.

Mr. Rodriguez: Mr. Speaker, I wonder if the minister would accept a question at this time.

Mr. Basford: No, Mr. Speaker, but I will at the end of my remarks. My time is very limited. The hon. member for New Westminster, for whom I have an immense amount of respect, called upon us to appoint an inquiry into organized crime in

the hope that it would recommend some new form of co-ordinated law enforcement in Canada. Are we to deal with organized crime by ignoring and acting contrary to the recommendations of the principal police authorities of this country? That does not seem to me to be co-ordinated law enforcement.

Mr. Leggatt: There are judicial authorities, too, and you are the Minister of Justice.

Mr. Basford: Should we, as parliamentarians, close our minds and our ears to what the police forces of this country are telling us as to what we need in terms of legislation?

Mr. Hnatyshyn: Who is running this country, anyhow?

Mr. Basford: The issue raised by the hon. member for New Westminster is important. We have, and need, co-ordinated law enforcement. The Solicitor General spoke in detail and in specifics about joint force operations. I have indicated, however, that the enforcement of the Criminal Code is a provincial responsibility. The hon. member for Northumberland-Durham (Mr. Lawrence) asked me a very pertinent question the other day about narcotics, immigration and other matters which clearly are within federal authority and control. However, the great bulk of the criminal law of this country is enforced by provincial attorneys general and provincial police forces.

On Monday I undertook to consult provincial attorneys general. I have talked with the attorneys general of British Columbia and Ontario, and I had communication through my office with the minister of justice of the province of Quebec. All the attorneys general of Canada and all the solicitors general of Canada and I will be meeting in Ottawa during the last week in June. However, I spoke with the attorneys general of the largest provinces in the country—certainly, by all indications, the three provinces in which there is the most organized crime—and they said they do not want to see some unilateral federal action without consultation with them. Of course, they will have to speak for themselves. We have agreed that there should be such consultation during our conference at the end of June. However, here we have the NDP and the official opposition saying that we should make some easy, political decision. They claim we should have better co-ordinated law enforcement and that we should make some unilateral decision, without proper consultation and co-ordination with provincial attorneys general who are responsible for the administration of the Criminal Code.

● (1720)

Surely, if we are to be effective in dealing with organized crime in Canada, we cannot make these kinds of unilateral decisions. In the search for the most effective way of dealing with organized crime these decisions should only be made after the closest possible consultation and co-ordination with provincial attorneys general and law enforcement officials. I, therefore, think it would be silly to accept this motion today when there has not been an opportunity for that kind of consultation and when the attorneys general of three provinces have told me they do not want me to make a decision until they have had a chance to discuss the matter with me further.

There has been a great deal of reference to the United States in the course of debate, with the suggestion that there is better control of organized crime there. I disagree with that. I think it is an irresponsible reflection on the police forces and law enforcement authorities of this country. There has been the inference that the United States deals with organized crime better than we do, but I suspect if that were so we would not be encountering the problem we have in Canada today. Organized crime is not a domestic Canadian industry; it is being imported.

In British Columbia, through a law enforcement unit comprised of the RCMP and others, we have upgraded law enforcement in the area of narcotics. It costs $8,000 to hire a courier to carry heroin from the golden triangle of Southeast Asia to Canada, while in the United States it only costs $2,000. The substantial difference is caused by the effectiveness of law enforcement in this country, where couriers are being apprehended at a far more effective rate than in the United States. So I want to resist and reject the inference of some hon. members that law enforcement authorities in the United States do a better job than our own.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. minister, but his allotted time has expired. He may continue, however, if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Basford: I am grateful for that co-operation, Mr. Speaker. I want to conclude by referring to British Columbia, because in moving the motion the hon. member for New Westminster referred to the co-ordinated law enforcement unit that operates in the province. Either this afternoon or tomorrow a proposal will be published in Victoria by that unit which was discussed with the attorney general of British Columbia and myself, as well as the Solicitor General and the health ministers of both governments, regarding the heroin trade. On March 24 we issued a joint statement on behalf of both governments, assigning the most senior law enforcement officers with experience in the area of drugs to examine the question of supply and demand. The work of that task force is almost completed and I expect to have a report very shortly. Both governments will then be able to ensure the best possible co-ordination to tackle the hard drug trade in Canada.

The hon. member calls for an inquiry because he claims we need greater co-ordination of police efforts. One need only look at what is going on to realize the degree of co-ordination that exists. The police forces and governments are continually working to improve that co-ordination, and I know we are not going to get it by making unilateral and immensely important decisions on a crime inquiry contrary to the advice of every senior police officer in the country.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to say to the hon. member for New Westminster (Mr. Leggatt) that I wholeheartedly support the motion he

brought before the House today. I would like to commence my few remarks by reminding the Minister of Justice (Mr. Basford) that he exhibits an obvious double standard when he speaks of the weight he wants the House to place on the advice of police officers with respect to increasing the powers for wiretapping. He admonishes us not to go against the advice of the police. But, Mr. Speaker, what group was more vocal in opposition to capital punishment than the police forces of this country? Did the Minister of Justice give them any more than lip service at that time? What the minister and the government wish to do obviously depends on their interpretation, not what the police wish to do.

It is also obvious that the minister's opposition to a royal commission inquiry on crime is based on equally tenuous logic. He argues that it is not a suitable forum, and the Solicitor General (Mr. Fox) indicated that the police would have to divulge sources of information and that all this would set back crime prevention in this country. I do not think that would stand the test of logic, either. There is a provision in the Federal Court Act that the Solicitor General never fails to utilize when it suits him, and perhaps when it is necessary as well. I will not comment on that. Section 41(2) permits essential information in the eyes of the government—without the supervision of a judge, incidentally—to be withheld. I am certain that a royal commission with proper terms of reference could ensure that equal precautions could be taken so that if it appeared that the cause of the police in any particular area was menaced, the very capable people in charge of a royal commission of this magnitude would take equal precautions to keep that type of evidence from being introduced.

A royal commission could do something that the CBC tried and failed to do, namely, it could bring to the attention of the people of Canada, in the best possible way, the need for the maximum amount of effort to combat the encroachment of organized crime in this country. It would provide a forum where everyone who had anything to contribute and wished to do so, could appear without fear, favour, suspicion of collusion or any other unworthy motive. People could come and tell what they know, and make recommendations. All Canadians from coast to coast, and all law enforcement agencies could join in a crusade against organized crime. That is what it is going to take at this time to stop the ever-increasing encroachment of crime in all areas of society in this country.

Everyone who has studied the subject knows that the main targets of organized crime at this time are legitimate businesses. If you look beneath the surface you find their initiatives in industries such as trucking, waste disposal, real estate, construction, money lending—even the banks are not immune. As a senior official of the state of Michigan pointed out recently, the Americans are finding out there is a tendency for loansharking to be integrated in some banks. There have not been any prosecutions yet in the state of Michigan, but it has been indicated that there is evidence of mob influence pervading some banking institutions. In any event, banks are being victimized by bad loans and are being ripped off by various confidence schemes.

[Mr. MacKay.]

If we are to improve our capacity to combat organized crime, we have to look at various initiatives and at the very structure of our institutions. It is interesting that the Solicitor General and the Minister of Justice both had to take some responsibility for this situation, in effect. That used not to be the case. As no other speaker has dealt with this particular topic, it seems to me it would be useful to look back and see the way things used to be when the RCMP only had to report to the minister of justice, which was one of the senior portfolios in parliament at an earlier time but which has lost some of its clout.

● (1730)

In this regard, it is interesting to see what the opinion was at the time the portfolio of solicitor general was created. It is also interesting to recall some of the predictions made at that time. I wish to read briefly from an article in the December 22, 1965, edition of the Toronto *Star* by a reporter who wrote this fairly comprehensive article. He wrote:

> Prime Minister Pearson's cabinet reorganization last week contained a "sleeper" which attracted less attention than it deserved. This was the proposed splitting up of the functions of the Department of Justice.
>
> Under this arrangement, the justice department will continue to administer the federal courts, draft legislation, and conduct litigation and prosecutions for the government. But a new department, headed by the Solicitor General, will administer the Royal Canadian Mounted Police, the penitentiaries and the parole board.
>
> It, is difficult to see any advantage in this change under Canadian conditions. The great problem in this country, in matters of justice and law enforcement, has always been the complicated and awkward division of responsibility between the federal government and the provinces.

Mr. Speaker, we see that that still continues to be the case. The article continues:

> The confusion that already exists could be aggravated further by dividing the federal jurisdiction between two departments.

I will not read the entire article. One very relevant and somehow familiar passage is as follows:

> It is not at all clear, in fact, what the government has in mind in proposing the change. At his press conference last Friday, Mr. Pearson spoke rather vaguely of the need for a more vigorous fight against organized crime.

Doesn't that have a funny ring over ten years later?

> It is probable that the poor showing the department made in the Rivard affair contributed to the decision that a change was necessary.
>
> But here again the remedy may only aggravate the disease. As former justice minister Davie Fulton put it this week, "It would be far more likely under the new setup that an RCMP report would never get to the Department of Justice."

It would appear the Solicitor General may have some problems there as well.

> What the department needs, in fact—

That is, the Department of Justice.

> —is not a hasty amputation but a careful reorganization to improve co-ordination between its various branches.

There is something to be gained by pondering the import of that brief excerpt from a 1965 newspaper. In the over ten years that have since elapsed we have not seen much of a national effort nor many results in combatting organized crime. True, the Solicitor General and the Minister of Justice have read into the record some impressive accomplishments. I

am sure that all members of this House applaud those accomplishments. We only wish they were even more significant. I agree with the hon. gentlemen in those two portfolios that there is not a member of the House of Commons who does not wholeheartedly support the efforts of the RCMP. Indeed, I suspect there is not one of us who would not willingly support greater appropriations, budgetary and in every other way, to facilitate their efforts against organized crime.

Some hon. Members: Hear, hear!

Mr. MacKay: We are not here to venerate nor denigrate the RCMP. We are here to improve the conditions under which they work. We would also like to make some constructive suggestions to the government to expedite their work.

The point made by the Minister of Justice that somehow we have a better record in Canada at the present time than the United States does not stand the test of logic. Certainly, anyone who has looked at any of the publications or programs lately realizes that organized crime has the same capacity as any multinational corporation. Meyer Lansky has just as much organizational ability as anybody who runs any multinational corporation in legitimate society. If the pickings in Canada are attractive, it will not take very long for organized crime to move their operations here, which according to the evidence we have seen lately is exactly what they are doing.

There is another problem. It has to do with the RCMP in the sense that if we are to expect the RCMP to fulfil their difficult and demanding role, we must take a look at the conditions under which they work and the attitude and relationship that exists between the RCMP and the Solicitor General to whom they report. I have been advocating, as have other hon. members, for a long time some needed changes to facilitate a better recourse to natural justice within the RCMP for members of the force. I see the previous solicitor general in the chamber at the present time. He made an effort to do that, but unfortunately during the time he was in the portfolio there were not many tangible results to change the poor treatment, in some cases, of RCMP officers which were brought to his attention. I wholeheartedly support the RCMP. Indeed, in many cases I have acted for individual officers. However, I was somewhat disturbed about the attitude exhibited by certain RCMP officers high up in the hierarchy toward the Solicitor General.

A most flagrant example to illustrate this, and which still causes me some concern for the relationship at times between the Solicitor General and the force for which he is responsible is contained in a report which I was able to get. I have a portion of it here. I have the whole document, if anybody wants to see it. A high ranking inspector, an officer in charge of the legal branch, said this about the then solicitor general:

It is not surprising either that there is at least the allegation, if not the fact, of influence peddling between the lawyer and the Solicitor General.

The background of this was simply that the solicitor general, to his credit, had been in touch with a lawyer in the Ogilvy Cope firm in Montreal named Arthur Campeau, who was trying to get a little bit of justice for some RCMP officers, Don McCleery and Gilles Brunet, who had been summarily discharged under section 173 without a smidgeon of a hearing. He was entering into some sort of dialogue with the lawyer to see what could be done to mitigate the circumstances if that were justified. It was absolutely unforgivable for a high-ranking RCMP officer to make that kind of allegation against the then solicitor general, under the circumstances. That is the type of thing that worries me about the relationship between the solicitor general and the force. It makes me think that the force should still be reporting to a more senior minister, the minister of justice, and it would resolve some of this bifurcated responsibility that exists between these two ministers vis-à-vis our national police force.

Another incident that shook my confidence about the type of information that we as members of the House of Commons get in these matters was the response I got to questions concerning information that I had elicited about the RCMP being in danger of being sued by a Montreal businessman as a result of some unfortunate things that the force had said about him. I raised this in the House of Commons and got very little response. I finally put it down for the adjournment debate. I then had the solicitor general's parliamentary secretary of the day, the hon. member for Ottawa Centre (Mr. Poulin), practically tell me—and it is in *Hansard*—that I was crazy to suggest such a thing; that the RCMP would ever negotiate with anyone as to whether they would be sued or not.

I did not put it on the record. I can, because I have those documents as well. But I have a report signed by a former RCMP inspector saying precisely the opposite; that he went to that businessman's office, Mr. Bronfman, twice for the express purpose of negotiating with that man in order that he would not sue the force for defamation or libel. The information I got in the House of Commons about this matter was directly contrary to the facts, and misleading. I only mention it again to show that the information members of parliament get in this place from those on the other side is either the result of poor information gathered by the force—and I prefer to think that is the case—or reluctance to come clean by the government with their parliamentary colleagues. This is the type of thing that is worrisome. It affects the perception of both the force and the minister.

I raise that at this time in the context of this debate in the hope that some of these things will be looked into and studied. Most of all, I do it in the hope that the Solicitor General, who in my opinion is doing a good job and appears to be very cognizant about the need to do something about these conditions and to improve the communication and relationship between himself and the force, will look into some of these past injustices which he knows exist regarding McCleery, Brunet, Primeau, and others.

● (1740)

He has said he has already some indication that some of the recommendations of Judge Rene Marin are being brought in. I accept his word. I hope some day he will make the House aware of precisely what changes have been brought in as a

result of Judge Marin's recommendations. He has also given us an undertaking that he will be bringing in legislation, possibly in the fall, to implement in a more formal way parts of Judge Marin's report. I trust that he will do that.

As far as the fight against crime in concerned, everyone must surely realize that if we are to assist the police there has to be a change in public attitude. There has to be greater utilization of specialized law enforcement personnel for the purpose of fighting organized crime with every weapon available. This does not mean we must resort to unrestricted wiretapping, or that we should forget the very important criteria of civil rights in our country.

Some hon. Members: Hear, hear!

Mr. MacKay: It seems to me that a substantial body of opinion in this country reflects the view of the editorial in today's Ottawa *Citizen* which says, in part, when referring to this matter, that it is before the Standing Committee on Justice and Legal Affairs and that somebody, if an open society is to be preserved, must reject the frightening proposals of the Minister of Justice.

None of us here in this chamber wants to inhibit the police, but for the Minister of Justice to say that at the same time we must give them carte blanche as far as wiretapping is concerned, just because they want it, whilst ignoring the fact that they wanted just as much to retain capital punishment and their advice was there disregarded, is expecting members of the House of Commons to be extremely gullible. Just as justice is sometimes too important to be left to lawyers, I think that civil rights are too important to be left to police officers.

Mr. Allmand: Very good.

Mr. MacKay: Mr. Speaker, it seems to me that as far as the more intelligent use of law enforcement aids is concerned, there is much room for the better private security agencies to play a role in this country. At the present time there are many.

Mr. Fox: Which ones?

Mr. MacKay: I am pleased the Solicitor General asked the question, because if he had been on the ball he would have had someone down to the national convention of the Canadian Society for Industrial Security which took place in Halifax and which was attended, incidentally, by the commanding officer of H Division of the RCMP. Modesty will not permit me to tell hon. members who was the keynote speaker on that occasion.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Go on, tell us.

Mr. MacKay: Well then, it was I. And nobody followed me when I left. Mr. Speaker, the fact that people today are very willing, in many cases, to deal with those who are fences, who deal in illicit goods, and who at the same time profess themselves to be respectable citizens, makes the task of law enforcement a lot more difficult. A reporter for one of Canada's great newspapers, the Halifax *Herald*, wrote:

> If Mr. Joe Citizen stopped purchasing stolen goods from thieves, thieving would not be a worth-while practice.

Also, Mr. Speaker, if merchants who operate large business concerns while using mass displays in a self-service format would take better security precautions and hire worth-while private security people to protect their property—something which cannot be done to the same extent as used to be the case—if they would do this and free the resources of regular police forces for the fight against organized crime, that in itself would be a very useful initiative. It is very clear that in the circumstances of today the public of Canada must be mobilized and made aware of what is happening to our country as far as the progression of organized crime is concerned. The Solicitor General—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. MacKay: Thank you, Mr. Speaker. I will not continue for long. I would just like to say, in conclusion, that as far as the basis for a national inquiry, a royal commission on organized crime, is concerned in this country, never before has there been a time when it would be more appropriate to establish one than at the present. The various attorneys general in this country, law enforcement agencies and, more important, the public at large could use this proposed royal commission to consider collective measures and draw up a master plan to combat organized crime.

The very publicity that in some cases can be so harmful to members such as my hon. friend from Saint-Hyacinthe (Mr. Wagner) could, in a judicial and directed forum, focus on the need for an organized fight against crime without the unfortunate fall-out and needless harm done to reputations like his when the CBC attempts to bring to the Canadian people some realization of the problem. It may have been with the best of motives but surely the national broadcasting corporation, commendable as its attempts may have been to bring home to the Canadian people the need for an inquiry, can never serve as a substitute for a royal commission to inquire into something as important as this. That is why I think the hon. member for New Westminster has done parliament and the country a valuable service by moving this motion at this particular time.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, at the outset I should like to congratulate the hon. member for New Westminster (Mr. Leggatt) for bringing in his motion, although I do not necessarily agree that a royal commission should be set up at this time. It is a very timely issue—the kind of thing the hon. member always does. I know of his hard work as a member of the committee on justice and legal affairs. I know he takes this work seriously and that he means it when he says a royal commission to investigate

organized crime ought to be appointed. I also wish to congratulate the hon. member for Central Nova (Mr. MacKay) whose speech was so persuasive that I almost changed my mind and decided I had better not make a speech on the subject at all. But this having been said, I should like to offer a few observations on the motion.

Over the past few years, television viewers have been treated to some very spectacular revelations in the Quebec crime probes. The CBC's special crime reports last Sunday and Monday have further fed public interest and concern over organized crime. These programmes have, understandably, mobilized concern about the penetration of organized crime in our society. However, the remedy suggested, that of a royal commission, will in all probability tell us little that we do not already know. Recent news reports and the CBC special have made it very clear who is involved in organized crime. The media have already made public who is connected with whom, and how. I doubt very much that this information is new to the RCMP. These people are well known to police agencies. So what possible practical service could be done by running over the ground again? The sensationalism which usually accompanies public hearings such as the one the hon. member has suggested would, instead of helping our law enforcement agencies, act as a major stumbling block.

If nothing else, the people involved in organized crime are astute. They shun publicity, as was graphically demonstrated by one man who spat at the CBC cameraman filming him as he walked down the street. I am sure that recent publicity has not acted as any kind of deterrent—Increased publicity would not, in my view, act as a deterrent, either. I believe that this kind of exposure will make these people go even further underground. It will make more difficult the already difficult task the police currently face.

The Solicitor General (Mr. Fox) suggested yesterday that many months and years of work are involved in acquiring evidence in some cases. It is difficult to calculate how much of this hard work has been wasted as a result of sensational publicity. However, I am sure that a royal commission would not provide the proper means for the protection of the Canadian people. At best, we could expect these people to lie low and, like a possum, play dead. But I suggest that as soon as the heat is off a miraculous resurrection will occur and we will be back to square one. We will be no further ahead and we will have wasted valuable time and money, time and money that could be better spent by the police in obtaining evidence that would put these people behind bars where they belong.

• (1750)

The police do not want a public inquiry. They think that the job is better handled through law enforcement agencies. I suggest that the people of Canada want to get on with ridding our cities and towns of organized crime. A royal commission would only prolong that elimination. We only have to look at the Quebec crime probe to see the mixed effects that spectacular publicity produces. We have seen dangerous criminals made into cult figures, and unfortunately have not seen many individuals put behind bars for their very real crimes.

Organized crime is an old and sad story in Canada. Criminal mobs and gangland style killings go back many years. Recently these activities have received documentation in a book entitled "The Canadian Connection", by Jean-Pierre Charbonneau. From this book it is apparent our police forces have been waging a constant battle against known criminal elements. For the police it is not a question of who, but how and when and where. The answers must be able to stand up in court and to lead to the conviction of criminal defendants.

Will these answers be available in testimony before a royal commission? I think not, Mr. Speaker. Unfortunately, real life is not like "Kojak" who has a secret witness to tell all. An obstinate criminal refusing to answer legitimate questions before a royal commission is both a forceful moral lesson and good TV, but it does not provide us with the answers we need. The answers to our questions are available from the processes of law enforcement and it is to these processes that we must address ourselves.

The Minister of Justice (Mr. Basford) has proposed that Bill C-51 will provide the police with greater powers to attack organized crime, particularly with regard to wiretapping. The provisions of Bill C-51 will extend the time period for a tap and also extend the time by which the person under surveillance has to be informed of the tap. Some have said that recent figures show wiretapping is not very effective because only a few indictments are obtained from hundreds of wiretaps. I submit that this is misleading. The Canadian Association of Chiefs of Police has stated:

> The fact remains that one indictment alone can cover hundreds of accused persons and therefore, the number of indictments is no indication at all of the value of electronic surveillance.

The Minister of Justice stated in the House yesterday:

> Obviously authorizations obtained in one year do not lead to arrests or convictions in that year, but in subsequent years.

Others have suggested that the extensions of time limits involved in wiretapping will broaden police powers to such an extent that they, the police, will casually tap phones without legitimate cause. On this point I would like to say that there are judicial restrictions which preclude this type of illegal use of wiretaps. As well, the police would have to have far greater resources than they do at present to maintain indiscriminate wiretaps. The police are far too busy using their manpower and energies on those criminals involved in serious crimes. I suggest, Mr. Speaker, that while the privacy of individuals must be protected, it is also the right of the Canadian people to be protected from those persons who may be suspected of, and in many cases are known to be involved in, criminal activity. Today's *Globe and Mail* reported that a man was found guilty of conspiring to pass forged cheques for more than $110,000. Several people were involved and the police cracked the ring by using wiretap evidence. Therefore, I believe that the passage of Bill C-51 would be a far more effective measure to get rid of organized crime than a royal commission.

I would like to remind hon. members of other legislation which will also strike a serious blow to organized crime. Bill C-16, the Borrowers and Depositors Protection Act, has provisions which will, if passed, seriously challenge one of organized crime's most profitable ventures—loansharking. I might mention to members of the House that in 1975 I presented a private member's bill on loansharking, but it was talked out. Perhaps if we had not talked it out but had implemented its recommendations, we would not have the loansharking that we have today.

Testimony to the Quebec crime probe has again and again told of the ruthlessness of "Shylocks" and of how lucrative this "business" is. One racketeer told the commission that a man lost his $40,000 clothing store because he owed a loan shark $1,200 and could not meet the weekly payments. Another was reduced from being owner of a dry-cleaning firm to a $100 per week employee in the same business because of loan sharks. Inspector Joe Terdik of the Peel regional police intelligence branch says that loansharking is more than people being sucked into a payment web; it is also a device used to extend organized crime into legitimate businesses.

Bill C-16 has limits concerning interest rates which will provide fines and imprisonment for those lenders convicted of charging exorbitant amounts. The Minister of Consumer and Corporate Affairs (Mr. Abbott) stated before the health, welfare and social affairs committee:

> —to enhance the effectiveness of the "criminal rate" provision and to facilitate civil recovery by borrowers who have been subject to such rates it is intended to make a conviction under the "criminal rate" provision conclusive proof that an unwarranted rate was charged. As such not only will the "criminal lender" be subject to fines and imprisonment, but he will also, in effect, be automatically liable to refund all or most of the interest exacted—

Let me reiterate it is not a royal commission that we need. We need enabling legislation and public support for the police forces waging this war which is going on at the present time. Jean-Pierre Charbonneau has stated the case well as follows:

> The battle against drug trafficking is a perpetual *recommencement*. Those who wage it know that. They wish, however—and they are right to do so—that the public would understand them better and support them a little more. Their use of informers, spies . . . electronic eavesdropping do not meet with general favour. And yet . . . without these methods it would be impossible to carry out an effective battle against those exploiters of human misery.

In a lengthy article from *Time* magazine of May 16, 1977, it was recommended that more money and manpower must be provided for those agencies fighting organized crime and that easier bugging of known members of organized crime be allowed. Also recommended was tightened legislation to prohibit laundering of money, loansharking and racketeering. I submit we have two of these recommendations before us now in Bill C-51 and Bill C-16. Moreover, the Solicitor General has said new provisions to help the RCMP combat organized crime will be brought forward shortly.

The Minister of Justice also said in his speech this afternoon that he will be meeting with the attorneys general of the various provinces on this very matter of organized crime. What we must do is get on with it and not languish by holding royal commissions which will bear little fruit.

The Acting Speaker (Mr. Ethier): Order, please. With the conclusion of this debate, proceedings on the motion before the House have expired pursuant to section 11 of Standing Order 58. Accordingly, this House stands adjourned till tomorrow at 11 o'clock a.m., pursuant to an order made Monday, May 30, 1977.

At six o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, June 16, 1977

The House met at 11 a.m.

[*Translation*]

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that the following communication has been received:

Government House
Ottawa

June 16, 1977

Sir:

I have the honour to inform you that the Hon. Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 16th of June, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC SYSTEM

The House resumed, from Tuesday, June 14, consideration of the motion of Mr. Marchand (for the Minister of Industry, Trade and Commerce) that Bill C-23, to facilitate conversion to the metric system of measurement, be read the third time and do pass; and the amendment thereto of Mr. Mazankowski.

● (1110)

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to make a few additional remarks to those I was making the other night when time ran out. Quite frankly, I have lost count of the number of times I have spoken on this bill at its various stages. It has been a big disappointment to me that the government has not listened to the people directly affected by this metric bill. The people have spoken and the minister is aware of the feelings of the farmers of western Canada.

I need not spend time reading into the record the letters which I have received on this bill; to do so would take a good part of the day. As I have said in previous speeches, of all the letters I have received, I believe only one expressed any acceptance of the metric system, and even that was conditional acceptance. As I say, the minister is aware of the feelings of the people, not only from letters which he has received but also from the newspapers of western Canada. I am sure that he or the members of his staff have read those papers and will be aware that over the past few months the editorial pages have been filled with letters to the editor, 95 per cent of which oppose the metric system.

As usual, this government has adopted an arrogant and despotic attitude toward the people directly affected by this piece of legislation. The government seems to have adopted the attitude that it knows what is best for the people. I thought we were living in a democratic country, that I came to Ottawa to express the views of the people in my constituency, and that government members would be doing the same on behalf of the people in their constituencies. I thought they would be representing the views not only of their constituents but of the people of Canada at large. However, I found I was wrong.

Looking back over the record of this government, Mr. Speaker, I recall the capital punishment bill which was put through the House despite the fact that probably 80 per cent or 85 per cent, maybe more, of the people of Canada were opposed to the abolition of capital punishment. I also recall the gun control legislation which was finally dropped as a result of the official opposition taking a stand and carrying on a lengthy debate.

This metric bill is a civil service bill; it is a bureaucrat's piece of legislation. The minister and his colleagues in cabinet, as well as members on the government side, have been prepared to listen to the civil servants and not to the representations of the people affected by this bill. I recall being in committee when the bill was being discussed and we were listening to the evidence given by some of the civil servants who had been involved with this bill. They adopted an attitude, not of belligerency, but they suggested that those who were opposed to the bill were fools. I recall that when the hon. member for Halton-Wentworth (Mr. Kempling) closed the meeting one evening he gave quite a dissertation on what he thought of the attitude of the civil servants involved, and he said quite frankly, "If this was a private company and I was the manager, I would fire the lot of you".

During the committee stage of this bill and at report stage we gave the government the opportunity, by way of amendment, to alter the legislation in such a manner as to make it acceptable to the people of western Canada. I say "to the

people of western Canada" because they are the ones directly affected, although the effects of the Bill will ultimately be felt throughout the length and breadth of the country as changes begin to take place in our land measurement system. I think we will end up with a situation where, instead of having one method of land measurement, we will have three—acres, hectares and arpents. Eventually people in other parts of the country who at the moment are not directly affected by the bill will begin to realize the effects of the bill.

As I have said, we gave the government the opportunity, through amendments, to bring in a dual system, one that would be satisfactory to older farmers as well as to younger farmers who are more familiar with the metric system, so that ultimately we would convert to the metric system. However, the government was not prepared to accept our amendments. The minister has been asked questions from time to time, and on May 3 the hon. member for Vegreville (Mr. Mazankowski) put a question to the minister, as reported at page 5526 of *Hansard,* which I should once again like to place on record. He asked:

> Mr. Speaker, I should like to direct a question to the Minister of State (Small Business). In view of the acceleration of widespread protest emanating from the producers of western Canada against the conversion to metric in the grains industry, is the minister giving any consideration whatsoever to the various representations he and other members have received and has he now reached the conclusion that the producer organizations upon which he relied when considering this particular piece of legislation did not actually reflect the wishes of the producers in western Canada?

The minister replied:

> Mr. Speaker, without accepting all the premises of the question, I want to say to the hon. member that I have been listening to the representations members made to me and the government, and particularly more recently to the representation made to me by the Minister without Portfolio from Crowfoot and—

Then there were some interruptions. The hon. minister continued:

> —and other members of parliament on this side of the House from the prairie region. A decision has been made not to proclaim that section of the bill on metric conversion relating to the grains industry—

Then followed further interruptions, and he continued:

> —until after further consultation—

A little later he went on to say that he would be pleased to have the views of members on this side as to the form that this consultation should take. We on this side of the House told the minister what form the consultations should take. In fact, we moved a motion a short time ago asking that certain sections of the bill be referred back to committee, with the idea that the committee could go out to western Canada and receive representations from the concerned people—the farmers and the grain producers. The hon. minister did not accept the amendment or the motion, neither has he accepted our recommendation.

● (1120)

I assume his intention is to send out representatives of the metric commission who have a vested interest in the bill and want to see it go through. It would not be an open-minded committee prepared to sit down with the farmers and listen to their views. The committee would go out to western Canada and spend its time trying to do a selling job to the farmers and persuade them of the fine system contained in this bill. This is not the type of consultation we feel should take place. I should point out that this is our feeling as to what the minister might do.

He has asked for our recommendations. He has said that he wants to have consultation. Well, he has had plenty of opportunity to stand in this House and make a speech telling us what he plans to do. Despite the length of time this bill has been debated in the House, the minister has not been prepared to stand and tell the House and the western farmers about his plans. Because of the fact that he has been silent on the issue, we in the official opposition have proposed a referral back to committee of certain sections by way of the motion we are debating now, a six months' hoist.

I see my time is running out, but I would like to challenge the minister to stand in this House and tell us what he plans to do as far as the consultative process is concerned. He may have plans which we will find acceptable. If so, we will deal with the bill with dispatch. On the other hand, if he is not prepared to stand and tell us what his plans are, and if he says that he is sending a delegation of public servants out to the west, I can assure him this bill will not be dealt with quickly. The western members on this side feel so strongly about this bill that we are prepared to spend a good portion of the summer debating it in this House.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I want to make a few additional remarks in this debate because it is a matter of great importance to western Canada and to the farmers in my constituency. What we have here is an example of a Liberal government demonstrating mule-headed stubbornness in the face of widespread opposition to the proposal which it is putting before the people and it is not desired by the people who will be affected. We have a situation where this mule-headed stubbornness of the Liberal party is wasting the time of this institution by debating an issue for so long, the result of which should be obvious to the government.

The Liberal government refuses to pay any attention to the feelings and the representations which have been made by concerned farmers. As I have said, this governmnet is wasting the time of the House of Commons with this bill, which is a very serious breach of its duties to the people of Canada. Everybody in this country will accept and admit that we are faced with many serious and difficult problems which need to be dealt with by the parliament of Canada, yet these problems are not being discussed in this place because we are tied up with a bill which should not have been presented in the first place. The unity of the country is in severe jeopardy. This jeopardy arose during the tenure of this government, and they totally refuses to come to grips with it.

During previous hearings on this bill at committee stage, and indeed in this House, we were told by the minister that the bill was supported by farm organizations—the National Farmers Union, the Federation of Agriculture, and so on. In committee I found that the representatives of these organizations

supported the bill, much to my surprise because I have not found any farmers who support it. I see the minister woke up from his nap when I said that the farm organizations are supporting the bill. After consultation with the representatives of the National Farmers Union and other farm organizations, we found that they did not consult with farmers. What happened is that the government bamboozled these organizations into thinking that the content of the bill was actively in effect in this country and that any opposition to it would be totally futile. The government also indicated that it was just a matter of simple housekeeping.

Under these circumstances, the farm organization representatives decided there was no need to consult with the producers and the constituents because the bill was a *fait accompli* and nothing would be gained by it. That is an example of the government being dishonest with these organizations by telling them there was no use in objecting. The organizations felt that if that was the case they might as well let the thing go and get used to it. Thus, they did not object.

Mr. Marchand: You should tell the farm organizations that.

Mr. Yewchuk: As a matter of fact, I did tell the farm organizations that. They indicated that in response to questions I put to them in committee. I do not think the minister was present at that time, so I would suggest he read the testimony which was put forth. On the same day, the National Federation of Agriculture was meeting in Ottawa and they refused to take a position, in consultation with the delegates there, because they did not want to go against the testimony which had already been given by their representatives. At the same time, they did not want to approve the legislation the minister was putting forward. On that occasion it was decided to simply table the issue and try to make a decision on another day.

If one reviews the correspondence which has been received directly from the producers, it is obvious they are not in favour of the measures in this bill. The producers are not in favour of metrication because there is nothing to be gained. They are not putting forward the argument that in general there might not be benefits for the manufacturing sector which is involved in export, for example. The producers are not necesarily arguing that certain mathematical calculations are not simple when they are carried out in the metric system. The fact is that these things are not all that important in so far as any advantages to the farmer are concerned.

● (1130)

Obviously, the farmers are objecting to this measure on the basis that changing acres to hectares, or bushels to tonnes, is a totally useless and unnecessary change. It will not in any way increase their productivity. It will simply add to the emotional pressure of farming under bad economic conditions which farmers are already facing. Indeed, it will add to the confusion and disorder in their lives which has resulted largely from actions of this government in the past on other issues. If one looks at this objectively and unemotionally, he will easily see that a change in weights and measures in so far as the agricultural producer is concerned is of no value at all.

There are some supporters of metrication. We hear the argument everywhere that it will simplify the life of Canadians. I have stated before that it might do that in some limited areas. However, when we consider the measurement of land and grain, and the fact that people involved in the agricultural industry have their minds and their brains trained and adjusted to thinking in the system used until now, it is almost impossible to justify the additional burden which will result from this change. The hon. member for Moose Jaw (Mr. Neil) described it well when he said it was simply a bureaucratic attempt to force everyone to conform for no other reason than to have conformity in the world. In my view, conformity is not always the best way to go.

We have a situation where the government has taken the position that it is the master, rather than the servant, of the people. That points out very clearly the difference between Progressive Conservative philosophy and Liberal philosophy. The Liberals always take the position that they know what is best for the people, that they are smartest and that they must impose their views on the people for their own good. The Conservatives believe that a democratically elected representative is sent to Ottawa to speak in the House of Commons on behalf of those who elected him. The Conservative party and Conservative governments in the past have always taken the position that government is the servant of the people and that the master is people themselves. We must always remember that, if democracy is to survive.

The position taken by the Liberal administration, that it is the master, is a grave distortion of a very important democratic principle. It brings into question whether democracy exists at all. When you ignore the views of the majority of people and impose your views upon them, it shows that you are a government too weak-kneed to withstand the bureaucratic pressure to change to conformity in the world. I have already said that conformity is not necessarily the best way.

Mr. Marchand: There are over 1,900 people in the private sector now working on metric conversion.

Mr. Yewchuk: The minister made an interjection which I did not fully hear. I hope that when I resume my seat he will stand and explain why he takes the position that he is the master of the people and does not have to pay any attention to the representations being made to him. Perhaps he has a reason for that, although I doubt whether it would be a logical reason if he believes in democracy.

This is not the only bill wherein the government is intruding more and more into the daily lives of Canadians, creating greater and greater erosion of the democratic principle that government must serve the people. There are other examples where democracy has been severely eroded. One need only look at the rule changes in this House since the Prime Minister (Mr. Trudeau) came into power. When the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister, there were happy times in Canada. The economy of this country

boomed. Everyone in the country felt they had some sort of a goal toward which they were heading, as opposed to the present, rudderless ship floating in any direction the wind will take it. That is the policy of this government.

Democratic principles have been eroded in so far as the authority of parliament is concerned. During the government of the right hon. member for Prince Albert, question period was an occasion when government truly accounted to the representatives of the people in this House for their actions, policies and how they spent Canadians' tax dollars. Question period at that time was an accounting session which went on as long as anyone had any useful questions to ask.

The opposition of that day, which is now the government, used the question period to destroy the government of the day and throw it out of power. When they got into power, they realized what a valuable democratic tool the uncontrolled question period was. They immediately decided to put a limit on the length of the question period, thereby reducing the risk to themselves in so far as concerned being exposed to any meaningful attack in the House.

On the departure of the former prime minister, Mr. Pearson, and the arrival of the present Prime Minister, it was taken a step further. Ministers were removed from the House for two or three days a week, and the ability to call on ministers and the government to account for their actions and policies was curtailed even further. The people of Canada revolted against that and nearly threw them out in 1972. That was the time the Prime Minister decided to bring his ministers back into the House. However, they now follow a policy of not answering or accounting in a meaningful way to the representatives of the people who ask questions of them in this House during question period.

There is another example with regard to accounting to the people as to how their tax dollars are spent. Prior to the rule changes in 1969, parliament had the right to hold up the expenditures of the government if it did not provide proper answers with regard to how the tax money was being spent. That is no longer a right of parliament; that right has perhaps been lost forever. Now, on a certain date the expenditure items, the estimates, go through automatically.

The result of this change has been an accelerated rise in the federal budget and an accompanying rise in the taxation imposed upon the people of Canada. In the short period of eight or nine years there has been an increase from $10.8 billion to some $45 billion. That is one of the largest single contributing factors to the severe inflation in this country. As I said before, it is an erosion of the democratic right of the people to call on this government to account for its actions with regard to how it spends the tax money that it takes from people who work very hard.

● (1140)

This legislation affects the culture of the people of Canada. The system which a society uses to determine its weights and measures is, indeed, one aspect of its culture. If we look at it from that point of view, we have a situation in which this government, through its legislation, is attempting to change the culture of Canada. We know from experiences in Europe and in other places that governments are not to be trusted with trying to change the culture of a country and controlling the development of culture. Culture, to be meaningful, must arise from the people themselves and must evolve and develop in accordance with the natural evolution that takes place in a country, given certain freedoms and rights to which individuals are entitled.

It seems to me that the House, if it is to be representative of the people of this nation, must consider the interests of the farmers in this case above the interests of the grain handling industry. It is much simpler for the conversion to be made by the grain handling industry than for the farmer to make the conversion, because it is only the grain handlers who are involved in international trade and export—so why not let them make the conversion? Why impose the conversion on the producer who is not directly involved in international trade and the exportation of his product?

The other point which I think is very important is that in the measurement of land the minister insists we change from acres to hectares. We will not be exporting land, so we cannot use the export argument to insist on changing land measurements.

Mr. Marchand: This will be done by the provinces.

Mr. Yewchuk: Alberta and Saskatchewan have put forward legislation. The Ontario legislation is of a permissive type. The Alberta legislation was never proclaimed. It is only Saskatchewan, I understand, that has passed, by order in council, and proclaimed legislation which would conform to what the minister is proposing. Nevertheless, if it were not for this bill I doubt very much that the provinces would proceed on their own to make these changes. So if the minister is trying to blame the provinces for making these changes, he is being a little less than honest—and I expect more than that from him.

Mr. Marchand: It is a co-operative effort.

Mr. Yewchuk: I have known the minister for some time. He came to the House at the same time as I did, and I have never known him to be dishonest in the past. Now he is putting the responsibility on the provinces. I am sure he is aware of the heat this legislation is creating. It is uncomfortable for him, so he is attempting to say that the provinces are making these changes. I think that if he wants to take that position there is no point at all in talking to him, because he is missing the whole point of what we are trying to say and is excusing himself completely from playing any serious role in what is happening here.

Mr. Fraser: He has a very low conversion factor.

Mr. Yewchuk: We are also beginning to wonder what the minister's position is in relation to the hon. member for Crowfoot (Mr. Horner) who indicated quite clearly and publicly that one of the things he was going to do was stop metrication in so far as the agricultural producer is concerned.

Mr. Fraser: He hectared the hon. member for Crowfoot.

Mr. Yewchuk: Indeed, the minister himself, when the hon. member for Crowfoot crossed the floor, proclaimed very proudly that he was now consulting closely with the hon. member for Crowfoot in this matter and that his representations would be considered. If the minister is trying to tell us now that the hon. member for Crowfoot has changed his mind about metrication in so far as farmers are concerned, I would be very surprised if that were the case, because that hon. member spoke very vigorously against metrication when he was on this side of the House, and I believe he still feels the same way.

So the question arises as to whether the government will be using the hon. member for Crowfoot for its own purposes, or whether it will be using him for hearing representations from the people of Alberta. We know from past experiences with Bud Olson, for example, the former minister of agriculture who, while sitting in the cabinet of this government must have been a very frustrated man, what happened to him as a result of the fact that the government had used him. We know that he was aware of the views of the people of Alberta, of the views of farmers in Alberta and, perhaps, in western Canada. There is no doubt about that, because I talked to that hon. member on many occasions. But he was not able to convince the Liberal cabinet that the views of the western farmers in Alberta were worth considering. Instead, the Liberal cabinet chose to use the minister as their mouthpiece to impose their views, once again, on the people of the west, and indeed he had to try to explain away policies which were unexplainable and unacceptable to the people in that area. So the people decided to throw him out.

I predict that if this Liberal cabinet attempts to use the hon. member for Crowfoot as a tool for imposing their own views on the people of the west, rather than to use him as a resource person to hear representations from the west, the people will throw him out, too—and any other member who takes the position that he might be able to be effective within the Liberal ranks. So I think the minister should give that some thought. He should put it in his pipe and smoke it.

Mr. Marchand: My peace-pipe.

Mr. Yewchuk: Yes, perhaps if he smoked his peace-pipe he would take a more peaceful approach to the western farmers and try to make peace with them. I suggest that is exactly what he should do during the six months' hoist of this bill. He should meet with the farmers, smoke his pipe with them, find out how they feel, and come back to tell us. I am sure that if he did that he would come back to the House and tell us that this bill is no good, that it should be changed, that it should reflect the desires of the people it will affect. Mind you, I am saying that on the assumption that the minister believes in democratic representation. If the minister believes in democracy and that the representations of people should be considered by the government, he should say that. He has not said it so far.

Mr. Fraser: It is pretty tough stuff to get them to agree to.

Mr. Yewchuk: This bill is being forced upon the western farmers in an attempt by a weak minister—I am not saying he is weak physically, but weak as a minister because he will not stand up for the farmers—to comply with the request of a bureaucracy dedicated to sameness, uniformity, conformity and control, as well as being the master of the people.

Mr. Fraser: How could a British Columbian do such a thing, Len?

Mr. Yewchuk: It is inconceivable, because most British Columbians are dedicated to democratic principles. The minister seems to be the exception to the rule. The scientific superiority of metric weights and measures is not clear in so far as the producer is concerned. It may indeed be visible in so far as manufacturers are concerned, but when you consider the cost of the metrication bill, the financial cost of imposing metrication on the country—which is in the vicinity of $5 billion—you begin to wonder why this government is anxious to spend so much money on this conversion which is undesirable and which will not change anything so far as the producer is concerned.

• (1150)

Mr. Fraser: Things will be the same size, won't they?

Mr. Yewchuk: That is right; the size of farms will not change.

Mr. Fraser: Five billion bucks not to change anything!

Mr. Yewchuk: Which will result in no useful change. It is projected that it will take the manufacturing sector, which is involved in the export business, 15 years to recover these costs if it switches to the metric system.

Mr. Marchand: They will save $1 million a year.

Mr. Yewchuk: Yes, perhaps after 15 years. However, I did some careful research on this subject. Perhaps the minister does not know about this, but reliable sources suggest that it will take 15 years for any manufacturer to recover the cost of his investment in the conversion process before he can even hope to start gaining any kind of economic benefit from the conversion. Even then, it is questionable whether there will be any economic benefit.

Mr. Fraser: The advantages could be measured in millimetres.

Mr. Yewchuk: We are imposing a $5 billion price tag on the people of Canada who are already taxed to death. Everybody in a democratic society will accept the fact that some taxes are necessary because we need an army, highways, airports and services of that kind. But in this country we have a situation where 43 per cent of the gross national product is already in the public domain. Various governments take that percentage of the gross national product for their own purposes. That is already a dangerously high amount. It is much higher than is

acceptable in a democratic system based upon private enterprise and individual initiative.

Imposing an additional $5 billion price tag will increase that 43 per cent to a substantially higher amount. We know we cannot go very much higher without stifling individual initiative. People are saying they have to give a lot to the government, anyway, and they are wondering why they should work any harder or increase their productivity or income. So we have inflation in this country. We have a situation in which productivity is already behind other countries. We have almost priced ourselves out of the international markets, and this will only be one step further in that direction. This measure will stifle initiative because increased taxation will be necessary to implement it.

The mental confusion which will result while people are trying to convert in their own minds is bound to result in decreased productivity. Productivity will decrease in two ways as a result of conversion. It will decrease because taxes will go up to pay the bill, and it will decrease because of the mental confusion there will be until conversion is made within the brains of the people of Canada.

I think the government is in a position now where it must rededicate itself to cutting down its own costs and to reducing taxes, rather than continuing to dedicate itself to finding ways of spending more and more money of Canadians, thereby raising taxes to a greater extent when we know that they are already too high. We must be looking for ways to increase productivity so that we can be competitive on international markets. We should not be trying further to reduce our competitiveness in international markets, because we know that if we are going to survive as an industrialized nation in a very competitive industrialized world, we must make ourselves more competitive.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member. I have already given him one extra minute. Unless he gets unanimous consent, I will recognize another hon. member. Does the hon. member have unanimous consent?

Some hon. Members: No.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, as I prepared for this debate on Bill C-23, I could not help wondering how the more than one million unemployed people in this country must feel about their parliamentarians debating this multi-billion dollar nonsense when we should be discussing ways to put people to work.

Some hon. Members: Hear, hear!

Mr. Darling: I certainly support the amendment of the hon. member for Vegreville (Mr. Mazankowski) to hoist this bill for six months. If it could be done, hoisting it for six years would be even better. It is irresponsible for us to be discussing how soon we will be forcing farmers to adopt a new way of describing an acre of ground or a ton of grain, but we in the opposition have been forced into this debate. We have to try to convince this government that there are many other topics more worthy of our time and effort and we must try to prevent this bill from being passed into law by that passive group of members on the other side of this House.

My colleague, the hon. member for Moose Jaw (Mr. Neil), said recently that a great many communities would refuse to put up signs in the new metric language. Another colleague, the hon. member for Halton-Wentworth (Mr. Kempling), said that commissioner Jake Gaudaur of the Canadian Football League told a luncheon group not long ago that the football league would retain the present size and markings of Canadian football fields, whatever the Canadian government does with respect to forcing the metric system on the country.

Mr. MacFarlane: Mr. Speaker, I rise on a point of order. I thought I heard the hon. member say that the commissioner of the Canadian Football League said he would not involve himself in the metric system. Having attended that dinner, I know he said that naturally he would take the option, if conversion is to be voluntary, not to convert; but that if the government instructed that it should be done, he certainly would do so. I thought that correction should be made.

Mr. Kempling: Mr. Speaker, I was at the same dinner, and that is exactly the opposite of what commissioner Gaudaur said. He said he would not convert. He went into all the difficulties the league would face if it went to the metric system. He said the opposite of what the hon. member just said.

Mr. Deputy Speaker: Order, please. The matter raised is not a point of order. It is not even a matter of clarification. These remarks could be made at another time. Therefore, I invite both hon. members to intervene in due course and perhaps enlighten the House with more clarification. However, in the meantime we will leave the floor with the hon. member for Parry Sound-Muskoka (Mr. Darling).

Mr. Darling: Mr. Speaker, I was not at that dinner. I was merely quoting the very knowledgeable member for Halton-Wentworth.

Mr. MacFarlane: That is completely false, and I will get you a letter to prove it.

Mr. Darling: I suggest that these two illustrious gentlemen get together and get this ironed out. These are not isolated opinions or remarks. These statements are merely a sampling of comments which show the contempt that an increasing number of Canadians feel for the legislative record of the government across the floor. There is a saying to the effect that if you want to generate disrespect for the law, bring in laws which people will not, and cannot, accept. Oppressive laws breed lawbreakers—and we have had enough crime in our country already.

The $4 billion to $10 billion it will cost to initiate the metric system in Canada would go a long way toward refurbishing and modernizing our outdated prison system. It would provide a great deal in the way of additional training for our prison officials and our police officers, and it would buy a great deal

of modern crime detection equipment. Some of that money could be put to better use in assisting the private sector to create new jobs for the million plus Canadians who could not care less whether the food they cannot afford is measured in pounds and ounces or in grams and litres.

This government is not governing for the people; it is governing for itself, and nowhere is this more evident than in the fact that it has done too little, too late, with respect to coping with unemployment; and too much, too soon, in trying to ram the metric system down our throats. If this government cared even a little about what the Canadian people really want, it would have gone to the people for a mandate by way of a national referendum. We asked for a referendum on whether the people of Canada want bilingualism, and we asked for a national referendum on the issue of capital punishment. Surely we are justified in expecting the government to ask the people of Canada whether they want to adopt a new system of measurement, something that will change the whole concept of conducting business and commerce and all other aspects of life in their country.

● (1200)

We cannot get a referendum, Mr. Speaker; but the Prime Minister (Mr. Trudeau) invites the government of Quebec to hold a referendum on the question of a province separating from confederation and jeopardizing the future of our entire nation. The Prime Minister plays into the hands of the Quebec separatists by holding our sovereign up to ridicule, at the same time that he is representing our country at the jubilee celebrations of our Queen and representing our country at the commonwealth conference in London.

There is no doubt that we will have to accept the government's whole package of metric, including the imposition of the metric scale on our agricultural community, because those members on the other side of the House close their eyes and vote however their leader orders them to vote. They would vote to instal Idi Amin as their deputy leader if the Prime Minister ordered them to do so. All we can hope for is to convince the government that there are segments of our economy that would suffer to such an extent that they would need government assistance and understanding in order to survive this latest onslaught on their capabilities.

I am thinking in particular of the small business community and of the financial burden being placed on them by the conversion to metric. Small businesses in Canada are caught in a web of circumstances, none of which are due to their actions or their lack of action. They are being subjected to harrassment and hassling from various government agencies and bureaux, with growing demands for reports, fees and charges. The small business community depends on the Post Office to a greater extent than any other single segment of our society, and it is no secret that they are constantly being let down in that quarter. For some businesses, as I pointed out in this House last Monday, the Post Office is a lifeline. When that lifeline is cut, as it so often is these days, many of those businesses go under.

Metric System

We are losing too many small businesses in Canada today because of irregular and unreliable postal service. Those businesses which can afford to have already turned from the Post Office to private courier services. The Postmaster General (Mr. Blais) and the postal unions complain about the business they are losing to the private courier services—but it is their own fault. I can foresee an even greater use of the private courier systems in the future because the Canadian postal service continues to get worse.

Last Monday, when we were debating the amendments to the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, I pointed out that the imposition of the metric system would work a hardship on people involved in those types of activities. The government said at the outset of the metric debate that businesses and industries affected would have to absorb the costs involved in converting to the new system. Later we were told that some adjustments would be made so that small businesses, for example, would be assisted financially in making the conversion.

The fact remains, though, that the greater share of the cost of conversion will fall on the shoulders of small businessmen, fishermen and farmers. In Monday's debate I suggested that many small business people would be hard pressed to come up with the money to pay the cost of conversion, in view of all the other demands on their capital, the ravages of inflation, higher production and labour costs and a multitude of other demands on their resources. I urged the government to take this into consideration and to bring in a more flexible small businesses loans plan. I said that many of these small business people would have to borrow money to pay the cost of converting their equipment to the metric system. But on reflection I wonder whether they should have to borrow money at high rates of interest to pay the cost of something that they did not ask for, something about which they were not even consulted by the government or anyone else.

The small business community in Canada did not ask for the metric system; the fishermen did not ask for it; the farmers did not ask for it. In fact, the Canadian people did not ask for it, nor were they ever consulted about it. It has been imposed upon all of us, and the real reason why it was imposed upon us has never been told. I doubt that it will ever be told.

As far as the cost of converting small businesses is concerned, there are only two acceptable ways this can be dealt with. One is for the federal government to pick up the tab for the conversion costs. After all, it was the federal government's idea in the first place. If they want farmers, fishermen and small business people to play this expensive and ridiculous game, they should be prepared to pay their way into the ball-park.

The other way this might be accomplished at a minimum of direct cost and inconvenience to small businesses is to extend long-term, no-interest loans to defray conversion costs. If we can make long-term loans at little or no interest to countries like Cuba, and if we can make grants to countries on the far side of the earth to improve their farms and businesses, we can

surely do as much for our own small businesses, especially when you consider that the government deliberately imposed this extra cost situation without consultation and without bothering about finding out if the Canadian people really wanted to convert our country to the metric system.

I understand that the metric commission has spent about $20 million to date. At first it was said that industry would pay for the conversion, but industry said in no uncertain terms that the consumer must pay. I think we are realistic enough to know that in the end the taxpayer, the consumer, will pay. Industry will make sure it does not lose money on the deal. Indeed, it would seem that big industry is pushing the metric system and is willing to accept it.

The night before last I listened to two eloquent speakers, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), and the "quiet and shy" hon. member for Calgary North (Mr. Woolliams). They both opposed this bill. I hope the House will accept the amendment offered by the hon. member for Vegreville and give the bill a six months' hoist.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my intervention in this debate will be fairly short, but I want to say something about metric conversion so there will be no question in anyone's mind about where I stand. As an elementary school teacher and as a high school teacher as far back as 1949-50, I and most of my colleagues were very concerned about the transposition of the existing system to the metric system. Those of us involved in chemistry and physics taught our students how to convert from one to the other. Even when I was a student, which was at the time of the Queen's coronation and earlier than that—at the time of the visit of Her Majesty's parents to this country—there was talk of conversion to the metric system. But we never got around to it. We never seemed to have the courage to make the move, but now we do have the courage. It is interesting to note that all the grains agreements are already in the metric system even without the government ordering it.

Mr. Mazankowski: That is what we have said.

Mr. MacFarlane: Motor mechanics who invest as much as $5,000 in tools, even when they do not own their own business and cannot claim a decent income tax credit, buy metric tools because they need them for servicing foreign cars.

As one who has coached football for 30 years, I have been at times involved with Jake Gaudaur, and I can tell you, Mr. Speaker, that people concerned with football are very disciplined. Those involved with the CFL have been self-disciplined. The man said at the meeting I attended that he opposed the metric system and would avail himself of the option he would be given because the bill would provide for an option. He said he would not be ordered, and if the government made the metric system part of the law of the land, Canadian football fields could conform to at least 10 or 11 metric designs: the people in football would obey the law. Incidentally, I said something at the meeting which newspapers quoted. I said I did not think football should go to the metric system. I said it, not Mr. Gaudaur. I still do not think football should go to the metric system and I want my attitude to be on the record. This bill will not force football to adopt the metric system.

• (1210)

Mr. Mazankowski: Isn't that interesting. What about the other parts of the metric bill?

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Hamilton Mountain (Mr. MacFarlane) has the floor. Perhaps hon. members would allow him to make his remarks.

Mr. MacFarlane: Mr. Speaker, let me put on record a reasoned argument which I think members of the House and the minister will accept. It is this: under the metric system, the football field would probably be marked every 10.9 yards instead of every ten yards. In Canadian football we only use three downs, instead of the four downs they use in American football.

An hon. Member: What difference does it make? It could be ten downs.

Mr. MacFarlane: Mr. Speaker, I don't mind interruptions, but some of them remind me of the previous hon. member's speech. That hon. member tried to draw Idi Amin into the metric argument. I am shocked at the attempt to bring that man's name into a reasoned argument. I do not appreciate it. Let me continue. Because our football players would have to attain a greater distance on the football field, which could be measured in metres or centimetres, the Canadian game might have to resort to four downs and under present rules, with markings ten yards apart, we are having a difficult enough time achieving three downs. That is why we use the pass so much. But if we went to four downs we would find it relatively easy, under the metric system, to achieve the first down, because under the four downs system a player can usually achieve 11 yards.

If we played the four downs game, which involves some extra distance, it would be said we had too much offence and not enough defence. Therefore, we would have to rule out our motion in the backfield, a unique feature of the Canadian game. In other words, if we make our football game conform to the metric system, we shall need to adopt American rules to offset the disadvantage. That is why we would not go for it. Our Canadian game is unique. Remember, the Americans imported their game from the colony of Canada. They played the first organized game when our team from McGill played an American university team south of the border. Our team played under our rugby rule which allowed for the carrying of the ball. But that rule was not part of the game of rugby which came to their shores from England. The Americans adjusted to the Canadian game. I point out that the Canadian game has a unique history.

The metric system is designed for those with purely technical needs. If we adopt it, we are not going to change some of our idiomatic expressions. A foot will still be a foot, and our numerous remarks which relate to the old measurements will still be part of our culture. Similarly, it would be foolish to say that our great footballers of Edmonton, Calgary and other parts of Canada ran 1,560.78 metres, or some such figure. We would not do it.

I say, let us not be illogical in our opposition. If you have real complaints about the metric system, make them, because I do. I do not find the minister unreasonable. He listens to what I say. The Canadian football commissioner feels this, too. He knows the bill is not asking football to change to the metric system. I do not deny that some say, if the athletes accept the system, others will accept it, too. Mr. Speaker, I do not think athletics exist as a vehicle for doing the bidding of others Sports exist for themselves, and athletes participate. Sports are good vehicles for education and should not be used to sell the metric system. Therefore, I stand here and say the metric system should not be forced upon our game of football. I will not accept it.

Mr. Mazankowski: What about our farmers?

Mr. MacFarlane: Mind you, you can use 11 designs which will fit into our stadiums.

Mr. Mazankowski: What about the farmers?

Mr. MacFarlane: Mr. Speaker, I presume that the hon. member, with his great knowledge, can answer for them. I listened carefully to what hon. members said. I say this bill proposes to bring us into, not the twentieth century but perhaps the eighteenth century. It is not right to say all the time that the Europeans are the only ones out of step. We could well use some of the systems which come from the old country, so to speak, from the other side of the Atlantic, one of them being the metric system. I support that change. I supported it as a young boy, as a student, as an undergraduate in university and as a teacher. But I learned that someone always said, "We cannot do it. We cannot change. We must stop this change".

I stood up, really, to make my position clear on Canadian football, for I have great respect for the Canadian Football League. It is a Canadian enterprise, Canadian-owned, and I say our traditious entitle our game of football to be played on our traditional football fields. Therefore, I see no reason for change. Other members, perhaps with reason, spoke of business matters and great financial hardships the change would cause. But let us not confuse that issue with the issue of Canadian football.

Mr. Mazankowski: You have been talking on a very narrow issue.

Mr. MacFarlane: That is right. But I think other comments in this debate have been very narrow. I do not know how, in a debate on the metric system, one hon. member found it possible to link the Prime Minister's name with that of Idi Amin. It is almost like saying that when Idi Amin wears a kilt, he is in the Black Watch. But mind you, Idi Amin says that himself. He thinks he is going to become king of Scotland. But that has nothing to do with the metric system, surely.

The Canadian football commissioner invited members of parliament, of all parties, to have dinner with him. It was a fine dinner. Incidentally, the whip of the Conservative party handled the arrangements exceptionally well. I was present. I thought the commissioner was honest and frank. He is proud to be Canadian, and will do whatever parliament decides. He will obey the law. I want hon. members to be aware of this.

Mr. Gordon Towers (Red Deer): Mr. Speaker, the hon. member for Hamilton Mountain (Mr. MacFarlane) told the House exactly where he stands, and his position is diametrically opposed to that of the hon. member for Halton-Wentworth (Mr. Kempling). One can understand why he rose to speak. However, it is fair to say that the remarks of the government side will alienate further the farmers of western Canada, for the western farmer does not want to be used as a football in this game.

Mr. Paproski: Hear, hear!

Mr. Towers: It will be a sad day when the government gives any sport precedence over one of the basic ingredients underpinning our way of life—western grain. I say the government should not do it. This debate is of fundamental importance. If the government's approach were honest it would accept the amendment. If the minister honestly wished to meet with the producers of western Canada he would take the bill back and allow the producers to make their case.

• (1220)

This is where the government is very wrong. Many people in western Canada felt the metric system was already the law of the land until we on this side finally made it clear it was not. Since then the farmers are having their say. Members of the National Farmers Union are right in their disapproval of this measure. They are not requiring that the metric system should be applied to football. If the hon. member for Hamilton Mountain wants to be so dictatorial as to tell the commissioner of the CFL that metric measurements are not to be used on the playing fields, that is his affair. If they were, the western farmer would probably be somewhat disconcerted as he watched a game, but he is not going to fight it. The hon. member for Hamilton Mountain said, "If the government instructed the CFL . . ." and so on. What kind of dictatorship are we getting into here, Mr. Speaker, when the government uses such words. I wonder what kind of democracy we have left in Canada, or whether it has all gone down the drain.

If ever a project has been mishandled, it is the introduction of the metric system. Right from the beginning there was misrepresentation. The western producer believed he had no choice. But when we managed to dig out the legislation which gave rise to this debate, the producer began to present his thinking on the subject. I propose to read into the record an excerpt from *Grain News*. These are the views of locals of the

United Grain Growers, one of the major grain companies in western Canada.

Not unexpectedly, a United Grain Growers local has come out solidly against conversion to metric in the grain business at the farm level. In a resolution to be placed before delegates at the annual meeting of the UGG in early November, members at Nobleport, Alberta, proposed the United Grain Growers press the government of Canada not to convert agriculture to the metric system. The thinking of the local was that the present system of converting to metric at the terminals works well and the farmers state that the change to metric at the farm level will accomplish nothing more than increased costs and confusion.

A similar resolution came from the UGG local at Fahler, Alberta, where members asked that the UGG strongly oppose any metrication at the farm level.

Letter after letter has been put on record in the House in opposition to this proposal, in opposition to what is implied by that phrase of the hon. member for Hamilton Mountain, "The government instructs . . ." The hon. member for Parry Sound-Muskoka (Mr. Darling) drew attention to the added burden of cost this measure will impose on small businessmen and farmers. What about the mechanics of this country? No provision whatsoever has been made for them in the income tax legislation. No thought has been given to the extra tools they will have to purchase.

This is where the government has been so wrong from the beginning. No provision has been made for the mechanics of the country; no provision has been made for the farmers; no provision has been made for small business. How can the government ever believe it will get the support of the public and retain respect for parliament? We have depreciated this institution to such an extent that soon no one will care one whit about it: it will have been depreciated to the point at which a great many Canadians will hope it will disappear. They will take this attitude for the very reason it is not reflecting the thinking of the individual or respecting the rights of Canadians.

I could go on and on, Mr. Speaker. I am very disappointed in the government, not only because of the way in which it is handling this business of metric conversion, but what it is doing to parliament. We have given the minister and members on the government side every opportunity to do something about this mistake as far as the producers are concerned. In the subcommittee of the Standing Committee on Finance, Trade and Economic Affairs we thought we had reached an arrangement we could go along with, namely, that the government would let us keep the "acres" and the "bushels" at the farm gate. As to the rest, we would go along with it.

If that understanding had held good, we would never have got ourselves into this long debate. That was my understanding of what took place in the subcommittee. But when the report came back to the standing committee, on which the government had a majority, they reverted to the old position. There was no give. We fought it. We put forward amendments, but they were not accepted. We brought amendments forward at the report stage, thinking that the government would perhaps agree to fracture the bill as suggested by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). If the bill were split up, we could decide exactly what the government wanted, what the industry wanted and what the producers wanted, and satisfy their needs as far as possible. I do no think that was too much to ask, if the government honestly wished to respect the views of Canadian producers. If members opposite had any idea about regaining a little support in western Canada, I would have thought this solution would have been acceptable to them. But they would not budge.

[Mr. Towers.]

Last, but not least, Mr. Speaker, I wish to draw attention to exactly what the government has been doing in relation to this legislation. The minister told us he will go back to the people after the bill has been passed. Can you imagine anything so idiotic? If there is to be any dialogue, it ought to take place prior to the passage of the bill—and the time to begin that dialogue is right now, because our amendment would allow the producers to have their say before the committee. I hope the minister, on behalf of the government, will even at this stage repent and recognize he has made a mistake. It is not such a bad thing for a person to admit a mistake, to acknowledge that he has misunderstood a situation. I am sure his reputation would be enhanced if he were to do this.

I realize this is not the end of the debate and that we still have to deal with the motion for third reading. But inasmuch as the minister is present in the House, I hope he will accept the amendment at this point and put an end to the debate for the moment.

The Acting Speaker (Mr. Turner): Is the House ready for the question? The question is on the amendment of the hon. member for Vegreville (Mr. Mazankowski).

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

● (1230)

(Division No. 51)

YEAS

Messrs.

Alexander	Cadieu	Ellis
Alkenbrack	Clark (Rocky Mountain)	Epp
Andre (Calgary Centre)	Clarke (Vancouver Quadra)	Forrestall
Baker (Grenville-Carleton)	Coates	Fraser
Bawden	Crouse	Gilbert
Beatty	Darling	Gillies
Blackburn	Dick	Graffftey
Brewin	Diefenbaker	Halliday
Brisco	Dinsdale	Hamilton (Qu'Appelle-Moose Mountain)

Messrs.

Hnatyshyn	Macquarrie	Paproski
Holmes	Malone	Peters
Howie	Masniuk	Ritchie
Huntington	Mazankowski	Rodriguez
Jarvis	McCain	Rynard
Jelinek	McCleave	Saltsman
Johnston	McGrath	Schumacher
Kempling	McKenzie	Scott
Knowles (Winnipeg North Centre)	McKinley	Skoreyko
	McKinnon	Smith (Churchill)
Knowles (Norfolk-Haldimand)	Mitges	Stevens
	Munro (Esquimalt-Saanich)	Stewart (Marquette)
Lambert (Edmonton West)	Murta	Towers
	Neil	Whiteway
Lawrence	Nowlan	Wise
MacDonald (Egmont)	Nystrom	Woolliams
	Orlikow	Yewchuk—75.
MacKay		

NAYS

Messrs.

Abbott	Duclos	MacDonald (Cardigan)
Allard	Dupont	
Allmand	Dupras	Macdonald (Rosedale)
Andras (Port Arthur)	Ethier	
	Fleming	MacFarlane
Andres (Lincoln)	Flynn	Marceau
	Fortin	Marchand
Appolloni (Mrs.)	Fox	McIsaac
Baker (Gander-Twillingate)	Francis	McRae
	Gauthier (Roberval)	Milne
Basford		Nicholson (Miss)
Beaudoin	Gendron	O'Connell
Béchard	Gillespie	Pearsall
Bégin (Miss)	Goodale	Pelletier
Blais	Guay (St. Boniface)	Penner
Blaker		Philbrook
Breau	Haidasz	Pinard
Bussières	Harquail	Portelance
Caccia	Herbert	Prud'homme
Cafik	Hopkins	Railton
Campbell (LaSalle-Émard-Côte Saint-Paul)	Isabelle	Reid
	Kaplan	Roberts
	Lachance	Robinson
Caouette (Villeneuve)	Lajoie	Rondeau
	Lalonde	Rooney
Caron	Lambert (Bellechasse)	Roy (Laval)
Clermont		Sauvé (Mrs.)
Collenette	Lamontagne	Sharp
Cullen	Lang	Smith (Saint-Jean)
Cyr	Langlois	
Danson	Laniel	Stanbury
Dawson	Lapointe	Stollery
De Bané	Lavoie	Tessier
Demers	LeBlanc (Westmorland-Kent)	Trudel
Dionne (Northumberland-Miramichi)		Turner
	Lee	Watson
Drury	Lefebvre	Yanakis—98.
	Loiselle (Chambly)	

● (1310)

Mr. Speaker: I declare the amendment lost. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1.19 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Administration of Justice

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

UNVEILING OF BRONZE REPRODUCTION OF CANADIAN BILL OF RIGHTS AS TRIBUTE TO RIGHT HON. JOHN DIEFENBAKER—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise to seek the unanimous consent of the House to move a motion under Standing Order 43 on a matter not only of urgent and pressing necessity but of some pride to all of us in the House of Commons. I move, seconded by the Acting Prime Minister, the hon. member for Rosedale (Mr. Macdonald):

That this House notes with pleasure the unveiling of a bronze reproduction of the Canadian Bill of Rights as an appropriate tribute to the efforts of the right hon. member for Prince Albert (Mr. Diefenbaker) to guarantee for all time the rights and freedoms of Canadians.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the unanimous consent of the House is necessary for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED APPEAL OF SENTENCE IMPOSED ON THREE POLICEMEN IN MONTREAL—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I can think of no more appropriate forerunner to the motion I seek to move under Standing Order 43 than the motion to which the House just gave its unanimous consent. In view of the decision announced today by sessions Judge Roger Vincent granting an unconditional discharge to RCMP Chief Superintendent Donald Cobb, Montreal Police Inspector Roger Cormier and OPF Inspector Jean Coutellier, and in view of the necessity to encourage public respect for the rule of law to ensure that there is not one law for the police and another one for everyone else, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House request the Minister of Justice to contact the Minister of Justice in Quebec to request that an immediate appeal be filed with respect to the sentence imposed in this case.

Mr. Speaker: Order, please. Such motion can only be presented for debate, pursuant to Standing Order 43, with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

INDUSTRY

MEASURES TO HELP SHOE MANUFACTURERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an urgent and very important matter. Mr. Speaker, I should like all hon. members to listen very closely to the text of the motion. I am sure, therefore, that the House will grant the attention required to the problems of the shoe industry, and that no hon. member, no matter what his political beliefs may be, will dare oppose the motion.

Whereas the Canadian industry has encountered tremendous problems in the last few months, whereas 21 plants have had to close down in the last ten months or so, and that in Quebec alone; whereas the problem is very complex and involves such matters as imports, the Canadian market, the rationalization of our industries and many other factors; and whereas the Anti-dumping Tribunal is now studying the matter and therefore its report will certainly not be published before the fall, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the Minister of Trade, Industry and Commerce (Mr. Chrétien), notwithstanding the inquiry now in progress, make a specific statement within the next eight days in the House on the particular means he intends to take to help the shoe industry in Canada and, at the same time, advise all workers in that industry in Canada of his determination not to allow them to become generally unemployed.

Mr. Speaker: Order. Under the terms of Standing Order 43, the motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

PUBLIC SERVICE

PROPOSED ESTABLISHMENT OF COMMISSION TO ALLOW THOSE ON BLACKLIST TO CLEAR THEIR NAMES—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In recent days two public servants have launched suits against the present Solicitor General and one of his predecessors, the present Minister of Supply and Services. In view of the cost of court proceedings necessitated by the imbecilic letter written by the Minister of Supply and Services in 1971, and in view of the number of other persons whose reputations were damaged by the Minister's paranoid delusions, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

[Mr. Speaker.]

That the government establish a commission to allow those persons accused of participation in an "extra-parliamentary opposition" to hear the evidence, if any, against them and have an opportunity to publicly clear their names.

Mr. Speaker: Before such a motion can be presented it requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

PROPOSAL THAT "WILLIAM CARSON" BE REPLACED—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I, too, rise under the terms of Standing Order 43 to present a motion on an urgent matter of public importance. As a result of the sinking of the C.N. ferry, *William Carson*, Canadian National has had to cancel many thousands of reservations to and from Newfoundland at the peak of the tourist vacation period. Considering the impact this will have on the 1977 Canada Games to be held in St. John's from August 7-19, I ask leave to move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House direct the government to take immediate steps to arrange for the chartering of a ship to replace the *William Carson*.

Mr. Speaker: The motion can only be presented by unanimous consent. Is there such consent?

Some hon. Members: No!

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR INQUIRY INTO OPERATIONS—PERMISSION TO MEMBERS TO TESTIFY BEFORE QUEBEC INQUIRY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Solicitor General. Since a few weeks ago a situation arose in which the police of Metropolitan Toronto were conducting an inquiry into a matter involving, among other things, the role of the RCMP, and since today we hear that the minister of justice in Quebec has announced an inquiry whose terms of reference again involve very directly the role of the RCMP, would the minister, rather than leaving these investigations, which touch the federal force, to provincial and municipal governments, finally grant the request of members on this side that a federal inquiry be held not only into the activities of the RCMP in connection with these matters, but also, and more important, into the degree of

political direction under which the RCMP or other federal police agencies acted in these cases?

Hon. Francis Fox (Solicitor General): As the Leader of the Opposition knows, I shall be making a statement in the House tomorrow concerning the matter which was settled before the courts in Montreal today. I shall be making what I consider to be a fairly complete statement and I shall, of course, take the hon. gentleman's representations into consideration.

Mr. Clark: Would the Solicitor General advise us whether, if there is not to be a federal inquiry—

An hon. Member: Hypothetical.

Mr. Clark: Well, I will remove the hypothesis to satisfy the erudite corporal from Quebec. Let me ask the Solicitor General whether it is the intention of the government of Canada to have officials of the Department of the Solicitor General or officials of the Royal Canadian Mounted Police appear before the inquiry called today by the minister of justice of the province of Quebec.

Mr. Fox: Mr. Speaker, the officials of the RCMP have always co-operated with the officials of the department of the attorney general of the province of Quebec in answering any questions which they wished to ask in connection with the break-in. It would, of course, be our intention to continue to co-operate with the officials of the province of Quebec, particularly the officials of the department of the attorney general who have charge of the administration of justice in that province and who are the proper authorities to lay criminal charges, as happened in the APLQ case.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR STATEMENT ON DIRECTIONS GIVEN TO FORCE BY MINISTERS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, the Solicitor General has now advised us that he is prepared to allow the RCMP to be examined by a provincial inquiry, but he still left hanging the question whether or not he is going to have a federal inquiry into these matters which can look not only into the activities of the RCMP but also, most importantly, into the degree of political direction under which the RCMP acted in this case. Can the minister give us a guarantee that in one form or another, and preferably through a federal inquiry or through absolute and clear statements in this House, there will be a communication to the House of Commons of all of the elements of political direction given to the RCMP by himself, or by any of his predecessors as Solicitor General, or by any of his colleagues in the cabinet of Canada?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, the Leader of the Opposition has evidently raised a really important question. He is asking me whether I intend to let the RCMP officers testify before the inquiry now under way in Quebec and which will last, I think, till mid-August. I wonder, Mr. Speaker, whether he is suggesting that I would have some discretion to issue orders to the constables and officers of the RCMP enjoining them to refuse to answer the subpoenas issued by Quebec boards of inquiry. The opposition, Mr. Speaker, has been pestering us for two days with questions on inquiry boards but I would like to point out in that connection that we have co-operated with the provincial authorities responsible for the administration of justice and we also intend to continue to do so.

In addition, Mr. Speaker, the Leader of the Opposition is asking me to make my statement immediately, but I have the impression that he will have to wait till tomorrow.

Mr. Clark: Mr. Speaker, perhaps I should repeat my question. Can the minister now give us a guarantee that there will be clear statements on all implications and all directives given by a cabinet minister, either himself or his predecessor or another minister recommending to members of the RCMP that they take the action they did in this case?

Mr. Fox: Mr. Speaker, I am grateful to the hon. Leader of the Opposition for having been kind enough to repeat his question, although I had understood it in the other official language.

[*English*]

In that case I shall repeat—

Some hon. Members: Oh, oh!

Mr. Baldwin: You are stonewalling in French.

[*Translation*]

Mr. Fox: —the hon. member is telling me that I am stonewalling in French, which is obviously not the case, Mr. Speaker.

[*English*]

The hon. member repeated his question in French so I shall repeat my answer in English.

Mr. Hees: He said that you were stonewalling in French.

Mr. Baker (Grenville-Carleton): It would be the same in Norwegian; it is still a stonewall.

● (1420)

Mr. Fox: Mr. Speaker, the hon. Leader of the Opposition was courteous enough to repeat his question in French, so I am trying to respond in English at the moment. I will repeat my answer, and that is, he will have to wait until tomorrow to find out what is going to be in the statement.

CONSULTATION WITH QUEBEC OFFICIALS PRIOR TO ESTABLISHMENT OF INQUIRY—SCOPE OF MINISTER'S STATEMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. We are very pleased on this side of the House to receive answers from the government in either one of our great official languages. The main thing is that we would like to get answers.

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, keeping in mind the Solicitor General will be making a statement tomorrow, I should like to ask him in view of this very interesting development of the Quebec inquiry, what meaningful consultations, if any, took place between him and his Quebec counterpart with respect to this inquiry before the appointment of the commissioner and so on was decided? Was there a dialogue before this occurred?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the answer to the question is no.

Mr. MacKay: Mr. Speaker, I have another brief question. In the statement tomorrow, I wonder if the Solicitor General, without divulging the contents of the statement, could indicate whether he will be confining it solely to the Quebec incident, which has been of such interest, or whether he will be dealing with other incidents which have been receiving publicity such as the one in Toronto—James, Lewis and Samuels and others? Will his statement be confined solely to L'Agence de Presse Libre du Quebec? Is there a possibility that either he or the government House leader can indicate whether his colleague, the former Solicitor General and now the Minister of Supply and Services, will also be making a statement about the time when he was solicitor general which some of these events encompass?

Mr. Paproski: If he ever gets back.

Mr. Fox: Mr. Speaker, I can only answer for myself as to what my intentions are. The statement I intend to make tomorrow will cover the incident which was before the courts and which was determined today. I do not have any intention, at the moment, of covering the other incidents mentioned by the hon. member, which have been raised in the House. I will be willing in the coming weeks to entertain further questions, if that is the desire of the hon. members opposite.

POSSIBILITY OF STATEMENT BY FORMER SOLICITOR GENERAL ON ALLEGED BREAK-INS BY MEMBERS OF FORCE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the government House leader. May we have an indication whether there is a possibility, or indeed a certainty, as to whether we might expect another statement from the present Minister of Supply and Services, assuming he is able to be here for it?

Hon. J.-J. Blais (Acting President of the Privy Council): Mr. Speaker, there is no indication that that will be the case.

Some hon. Members: Oh, oh!

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED APPEAL OF SENTENCE OF THREE POLICE OFFICERS INVOLVED IN BREAK-IN IN QUEBEC

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I can understand the Solicitor General putting off the answers to certain questions until tommorrow, which pertain to the break-in in Montreal. I have a question I would like to direct to the Minister of Justice which concerns all Canadians who have an interest in civil liberties. Considering an unconditional discharge was granted this morning to the three police officers who were involved in the break-in in Quebec and openly admitted their guilt; and considering this break-in was a clear, flagrant violation of the Criminal Code of Canada, I should like to ask the Minister of Justice if in the interests of the rule of law, he will immediately request his counterpart in the province of Quebec to launch an appeal to this incredible sentence?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think it would be improper for me to do that. The administration and the prosecution of offences is clearly the responsibility of provincial attorneys general. In the case of Quebec, it is the responsibility of the provincial minister of justice. The Quebec authorities laid charges, conducted a prosecution and sentence has been given. If there is to be a decision to appeal that sentence, that would be a decision for the authorities in the province of Quebec.

Mr. Broadbent: Mr. Speaker, unfortunately I expected precisely that copout. The hon. Minister is the leading member of the cabinet responsible for the enforcement of Canada's criminal law. As a lawyer, he knows anyone can launch an appeal. Considering that in the United States the president was almost impeached when people who were not—

Some hon. Members: Oh, oh!

Mr. Mazankowski: Listen to the question.

Mr. Broadbent: —members of the police force were involved in a break-in, I should like to ask the minister if he considers this to be a very serious question and will he ensure that the law for ordinary citizens holds equally well for the police forces in Canada? Does this not move him to launch such a protest in terms of concern for the rule of law?

Mr. Basford: Mr. Speaker, I think that any reference to what happened in Washington is purely gratuitous and silly.

Some hon. Members: Hear, hear!

Mr. Basford: The hon. member makes reference to the rule of law. One of the essential foundations of the rule of law is that people usually be tried, convicted and sentenced by judges not by politicians.

Some hon. Members: Hear, hear!

Mr. Broadbent: What an expert in banal platitudes.

Some hon. Members: Oh, oh!

An hon. Member: Resign like Lewis.

Mr. Broadbent: In view of the fact that the criminal law, which the minister is showing little interest in enforcing, also

provides for appeals of sentences, whether from the person prosecuted and convicted or from the Crown, does the minister not realize that the rule of law entails the right and indeed the obligation of the Crown to launch an appeal when the Crown feels the circumstances warrant it? Considering that three police officers who clearly violated the law have been given a sentence which almost amounts to a compliment for their activities, does the minister not think it is appropriate for him to launch an appeal into this totally inappropriate sentence?

Mr. Speaker: With respect, that is a repetition of the original question.

* * *

[*Translation*]

INDUSTRY

MEASURES TO PROTECT SHOE MANUFACTURERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, with your permission, let us get out of court and return to earth. My question is directed to the Minister of Industry, Trade and Commerce. Could he indicate immediately to the House whether he is considering taking special steps to save the remains of the shoe industry. I would not want the Minister to hide behind the inquiry being conducted by the Anti-dumping Tribunal in answering my question, because there is a real urgency today since there is an increasing number of shoe plants closing their doors in Quebec.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have no intention of hiding behind this inquiry, but I must obey the laws of Parliament which say that the problem must be studied by the commission before the government may take a decision. I am following with interest the development of the shoe industry at the present time. I asked the commission to give me a report as soon as possible, and when it is received we will take the necessary steps.

Mr. Beaudoin: Mr. Speaker, that answer is the only one we got from former industry, trade and commerce minister Pepin prior to that day in November 1971. Can the minister tell us whether officials in his department are currently dealing with the problem in the shoe industry so that he could be ready to act as soon as he sees fit to do so, that is in the next few weeks, to avoid any delay in the implementation of actions after we get the decision of the investigation board?

Mr. Chrétien: Mr. Speaker, we are watching the situation very closely and hope to be able to act upon the recommendations of the board in the days or weeks following the tabling of the report.

[*English*]

COMMUNICATIONS

REQUEST FOR COMMISSION OF INQUIRY INTO BROADCASTING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Minister of Communications. It concerns the increasingly confused state of this country's broadcasting system. We now have statements of *mea culpa* from the president of the CBC, recommendations which border on the extreme from the LaMarsh Commission, an inquisition sponsored by the Liberal party into Radio Canada, and other activities by various and sundry ministers and groups, both provincially and federally, let alone Bill C-43 which is presently in a state of suspended agitation, would the minister consider discussing with the Prime Minister and her cabinet colleagues, the advisability of establishing a royal commission to inquire into the whole area of broadcasting, since there has been no comprehensive study done of this issue since the Fowler Commission of 1955?

• (1430)

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the hon. member is certainly not aware of what is going on in this House. He should remember that a few months ago the chairman of the CRTC was asked by the Prime Minister to give his opinion about the possibility of having an investigation on broadcasting. The chairman of the CRTC is going to table the report required by the Prime Minister on July 1 and he would probably take this opportunity to express his views on this matter. Following his recommendations, the cabinet will decide whether or not there would be some kind of investigation on broadcasting.

[*English*]

Mr. Nowlan: I thank the minister for part of the answer. I am fully aware of what is going on in the House and I am also fully aware of the invitation of the Prime Minister to the chairman of CRTC to become involved in a most invidious precedent of CRTC investigating the CBC, but would the minister, whenever the interim report of the chairman of CRTC is received—the report is due on July 1, which will be a happy Dominion Day present, I suppose—consider ensuring that a royal commission established to define the role of the CBC does attempt some definition of the regulation of the broadcasting system, some attention to paid television and other modern technology, federal-provincial relations, the cablevision problem, let alone the relationship between the government and independent regulatory agencies, which are not part of the letter from the Prime Minister to the chairman at CRTC? Would those matters be considered and will the minister be able to stand in the House on July 2 or 3, or whenever we might meet in the month of July, to tell us what she intends to do?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, in the absence of the hon. member, the Prime Minister made a statement following a

question he had been asked, whether he was prepared to consider the possibility of an investigation on broadcasting. He also said he could anticipate the need to consider the whole structure of broadcasting in this country, in view of the technological changes which can be expected. I totally agree with him on this point. I think we should have an investigation or a task force, well some kind of an investigation, into all those broadcasting problems in order to consider the reorganization of the industry in the light of the technological changes which are going to take place. Concerning pay TV, the hon. member should know that public hearings are being held here in Ottawa following a request that the public and all involved people may express their points of view on this important technological innovation.

[*English*]

SUGGESTED SUSPENSION OF PROCEEDINGS ON BILL C-43 PENDING RECEIPT OF REPORT OF CHAIRMAN OF CRTC

Mr. J. P. Nowlan (Annapolis Valley): In view of the minister's answer, which I appreciate, can she assure the House that there will be no further progress on Bill C-43 until there is a determination of what the government intends to do with the interim report of the chairman of CRTC and what else the government decides to add to extend the report?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): These are two different things altogether. Bill C-43 which has been brought forward in the House is going to be dealt with according to the order paper of the House. There is nothing in common between these two things. This legislation has been due for a long time. It is important and even necessary to meet our present problems.

* * *

[*English*]

TRANSPORT

ALLEGED GAPS IN STUDY ON RAIL PASSENGER SERVICE IN ATLANTIC REGION—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. Since the minister has indicated that he wishes to place his government's position on rail passenger transportation, particularly in the Atlantic region, before the CTC, and he has done this by tabling the Atlantic regional intermodal transportation study, will the minister heed the advice of the chairman of the rail transport committee of the CTC, who urged the federal Department of Transport to extend the study since there are "gaps" in it, particularly the study's use of outdated rail patronage figures which had been refuted by the CNR in their presentation to the committee?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we will certainly be taking that under consideration. Of course we are all delighted that while the study dealt with figures which were recently available, there are now some indications of very good upturns in the figures on the patronage of passengers rail services throughout the country, and that will certainly be taken into account.

Mr. Forrestall: Do I interpret properly what the Minister of Transport has said just now to be a refutation of his position taken earlier in this chamber that the Atlantic regional intermodal transportation study represented the present position he and the four Atlantic premiers take?

Mr. Lang: No, I think the study has a great deal of valid analysis, and the fact that some current figures changed certain of the factors does not in any way remove its value.

* * *

COMMUNICATIONS

MEASURES TO ELIMINATE VIOLENCE ON TELEVISION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to that put by the hon. member for Annapolis Valley to the Minister of Communications. In view of the conclusive findings of the LaMarsh Commission that there is a direct causal relationship between violence on television and violence on the streets and the increased rate of crime as well as the effect that this has on children and certain other elements in society, and in view of the findings of the Solicitor General and the U.S. Surgeon General, may I ask the minister what steps she intends to take as the minister responsible for broadcasting to eliminate this serious social threat from television, especially bearing in mind the fact that 95 per cent of it comes from the United States, either by way of the cable system or in canned programs?

Hon. Jeanne Sauvé (Minister of Communications): The hon. member knows how preoccupied I am with that problem. I made a speech about a year ago in which I indicated that I felt that broadcasters should look into the question of the kind of programming they were offering their audiences. I never suggested that there should be any kind of censorship of the programming they are offering the population because, of course, such a radical measure would be repugnant to the population, as it would be to the hon. member and myself, despite the fact that I personally feel there is too much violence on television.

Although one cannot establish a direct relationship of cause to effect between what is shown on television and the behaviour of people, one must conclude that violent programs are not one of the most positive aspects of television with regard to the population and especially with regard to children. That is a very important problem. We will have to try to determine for ourselves what kinds of measures we can introduce in order to deal with it. It would not be censorship, but it might be a classification of programs, and certainly, above all, broadcasters should exercise responsibility in programming in view of this situation which has been brought to light in Miss LaMarsh's report.

ADMINISTRATION OF JUSTICE

PROPOSED ESTABLISHMENT OF COMMISSION TO PERMIT PUBLIC SERVANTS ON BLACKLIST TO CLEAR THEIR NAMES—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to direct a question to the Minister of Justice, and in doing so I want to remind him of something he said a few moments ago when he said that a man should be tried, convicted and sentenced by judges, not by politicians. That was in answer to the hon. member for Oshawa-Whitby. If the minister really believes that, as Minister of Justice and as Attorney General, as he tells us from time to time he is, would the minister give consideration to setting up a commission or a tribunal to allow those on the infamous extra parliamentary opposition list to publicly clear their names before judges, if no evidence exists, to support the charges made against them by the former solicitor general who, after all, is a man and a politician? Would he give some substance to the words that he uttered a few moments ago to bring justice to those public servants who have been maligned until there is evidence to support the charges made by the former solicitor general?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not think the case is analogous at all. We were discussing people charged under the Criminal Code in the process of being prosecuted, charged and sentenced. With regard to the other part of the hon. member's question, the letter to which he refers is not a charge. As has been made clear, some on that list have risen to positions of very considerable prominence within the Public Service of Canada.

● (1440)

Mr. Baker (Grenville-Carleton): Mr. Speaker, if the people on that list were guilty of what they are said to have been guilty of by the then solicitor general, they ought to have been charged under appropriate sections of the Criminal Code. They were not, and that is the problem. Would the minister reconsider his position with respect to the provision of a tribunal so that they can clear their names? If he will not do that, would he consider establishing a fund so that these people can be funded by the government which maligned them for the expensive legal proceedings through which they are now being put as a result of that maligning by the government? If the minister will not do either of those things, would he at least make a statement on motions absolving those accused of treasonable intentions, explain how the Goyer letter came to be written in the first place and assure the House that such internal smear attacks will not again be launched by any minister without precise information or charges? That is the least the minister can do in view of the dreadful situation into which his colleague put those public servants.

Mr. Basford: The circumstances surrounding that letter have been explained.

[*Translation*]

FINANCE

PROVISION OF BUDGET CONCERNING TAXING OF BENEFITS FROM LIFE INSURANCE POLICIES

Mr. Claude Tessier (Compton): Mr. Speaker, my question is for the Minister of Finance.

Since most Canadians rely upon life insurance as a major means of financial security in the case of the death of one of the spouses, can the minister tell the House about the reason or reasons justifying provisions 62 and 63 of the new budget, which provide among other things for a tax on widows and children?

If this is the case, does that mean that Loto-Canada winners are exempt while a tax will be levied from those who made their own lottery and paid it completely, not for their own benefit but for that of their families?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I gave such an explanation the night of the budget and I am prepared to give it again when we get to the bill I introduced yesterday for first reading.

* * *

[*English*]

NORTHERN AFFAIRS

PINE POINT, NORTHWEST TERRITORIES—POSSIBILITY OF FEDERAL AID IN ESTABLISHING NEW SOURCE OF DRINKING WATER

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, and it is about the drinking water supply at Pine Point, Northwest Territories. To say the least, the water supply there is very bad. A recent analysis by the government of Alberta found a sample of water from that supply to be chemically unfit for human consumption. This situation has been very serious, especially for newborn babies. The minister is aware that the proposed new source of drinking water for the town will not be available this year unless some $400,000 is made available for this purpose by July 1. Is the minister in a position now to say if his department will commit itself to this expenditure?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am aware of this serious problem. I know that the department is looking at it, but I cannot tell the hon. member today what decision has been made on this matter.

Mr. Firth: Mr. Speaker, I would like to ask the minister if he can indicate to the House how soon we will be able to get an answer to that question. If this funding is not made available, will the minister indicate to the residents of Pine Point what source of drinking water he believes they should use over the winter, and will he indicate whether he is willing to fund this alternate source of water supply?

Mr. Allmand: Mr. Speaker, as a result of the hon. member's question I will check into this right after the question period and report to him.

* * *

THE CANADIAN ECONOMY

MEASURES TO REDUCE RISE IN CONSUMER PRICE INDEX

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the consumer price index rose at an annual rate of 9.6 per cent during May and at an annual rate of 10.4 per cent during the last three months, would the minister take the first opportunity on motions or briefly now to outline to the House what steps he intends to take to bring the rise in the consumer price index, the cost of living, more in line with the government's target of 6 per cent this year? When he is answering, would he also advise the House, in view of the very poor start in the first five months of this year, what chances he thinks this country has of achieving a 6 per cent increase this year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will have a chance to talk about this matter later this day.

Mr. Hees: Mr. Speaker, the minister gave a very evasive answer. He said he would have a chance to talk about this later. He has had chances time and time again, but he never answers questions we ask, and he obviously does not intend to answer this very difficult question when he speaks in the debate today.

* * *

TRANSPORT

REQUEST FOR FERRY SERVICE BETWEEN SHELBURNE, NOVA SCOTIA, AND NEW ENGLAND STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. In light of the decline in Nova Scotia's tourist industry during 1976 and the continuing decline in secondary industry along the South Shore where in Brooklyn, Nova Scotia Standard Brands has now closed down its yeast plant while industry in Lockeport and Shelburne is seriously affected due to a lack of municipal water supplies, will the minister consider the carrying out by his officials of a survey in this area in the hope that a ferry service could be established between New England and Shelburne, thereby making use of one of the outstanding harbours we have in Nova Scotia and giving the tourist and secondary industry in this area a much needed boost?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I receive that as a representation, and I will be glad to have a look at the question.

[Mr. Firth.]

CANADIAN NATIONAL RAILWAYS

EFFECT ON PROFIT POSITION OF ALLEGED OVERSTATEMENT OF REVENUES—REQUEST FOR REPORT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I would like to direct my question to the Minister of Transport. It arises from the motion under Standing Order 43 which I presented to the House yesterday in connection with the miscalculation of revenues under the provisions of the Railway Act by the CNR. I wonder if the minister is in a position to give an explanation to the House regarding CNR's overstatement of revenues to the extent of an amount in excess of $20 million as a result of a miscalculation in the determination of subsidies received from the Canadian Transport Commission under the provisions of the Railway Act. If so, could he also indicate to the House what impact this would have on the profit and loss picture for 1976 and the profit and loss position and the revenue position in the current fiscal year, 1977?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the revenues stated by the CNR did reflect the payments which were received from the CTC. What has now been determined and reported is that the CN and the CTC joined in an error or made a common error in calculations in arriving at those figures. Subsequent to determining that, the CTC began to take action to recover the amounts out of moneys currently flowing to the CN, and I understand it has now been totally recovered.

I will be glad to get a more detailed analysis of the impact upon the financial statements if the correct figures had been used throughout the period. I understand that the impact would have been most negative in relation to years prior to 1976 rather than to that year. The over-all impact in 1977 may depend upon the action which may logically flow from the fact that in those earlier years what should have shown up as a larger deficit did not do so, and the government will have to take this into consideration.

Mr. Mazankowski: I wonder if, when the minister is looking into this matter and when he is preparing his statement, he could outline to the House precisely when the error occurred and what the amount of the error was. In light of the reference in the Hall report to the effect that there have been a number of unresolved issues between the railways and the CTC, in light of the fact that the Hall report recommends that the CTC report to the Minister of Transport on or before July 31, 1977 in connection with this whole issue and in light of events involving CN will the minister look at that recommendation and act upon it?

Mr. Lang: Yes, Mr. Speaker, I am doing so. I understand that the error was an error in calculation and that some items were included twice in the over-all approach, which was not detected by the CTC. As I say, the amount has now been recovered, and I will be glad to get a more detailed statement after we have made an analysis.

● (1450)

GOVERNMENT ADMINISTRATION

USE OF GOVERNMENT AIRCRAFT BY MINISTERS ATTENDING POLITICAL MEETINGS

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the fact that the Minister without Portfolio is in Portage la Prairie today, having travelled by government jet for the purpose of attending a political meeting on behalf of the Manitoba Liberal Party, could the Acting Prime Minister tell the House if it is still government policy to allow ministers to attend political rallies at the taxpayers' expense and is it their intention that government aircraft shall now fly under the name Air Horner instead of Air Lang?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to see that my hon. friends opposite do not like to see the Minister without Portfolio in western Canada. This is an indication that he made a fine move when he joined the government, and I am quite certain that the minister follows all government guidelines concerning the use of aircraft.

[*English*]

Mr. Stewart (Marquette): A supplementary question, Mr. Speaker, directed to the government House leader. Is it the intention of the government to hold the third reading vote on the metric conversion bill at a time that will allow the Minister without Portfolio to be present so that we will know where he stands on this bill?

Some hon. Members: Hear, hear!

* * *

[*Translation*]

LABOUR RELATIONS

CAST NORTH AMERICA OF MONTREAL—REQUEST FOR REPORT ON NEGOTIATIONS WITH MEDIATOR

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, as the Minister of Labour is not in the House, I shall direct my question to the Acting Prime Minister.

Some time ago I asked a question of the Minister of Labour about the situation in the port of Montreal which faces difficulties, including the possible transfer of Cast North America with all the related problems. Can the Acting Prime Minister tell the House whether he was informed on the negotiations with the mediator by the Minister of Labour and can he make a progress report on the negotiations on the future of the port of Montreal?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for his interest in the port of Montreal. Unfortunately, I could not communicate with the Minister of Labour to get the necessary information. As soon as I see him, I shall inform him of the hon. member's representations, and I am sure he will be extremely pleased to answer him when he is back in the House.

* * *

[*English*]

TELEGLOBE CANADA

ALLEGED REFUSAL OF UNION REQUEST FOR ARBITRATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Communications. On Thursday, June 9, my colleague the hon. member for Annapolis Valley asked certain questions relating to the industrial dispute between Teleglobe and the Canadian Overseas Telecommunications Union. Can the minister advise the House why it is, in view of the fact that the union asked for arbitration of this unfortunate dispute, that Teleglobe, which I understand reports directly to the minister, has refused to accept that procedure?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I am not sure that the hon. member's information is correct in that Teleglobe has refused to see a conciliator. The union came to Ottawa yesterday and they were seen by members of my staff and the department. Before that they had seen officials of the Department of Labour who had suggested that a conciliator be brought into the dispute. Teleglobe has not indicated acceptance but I am not sure they have refused as the hon. member suggested. I will inquire about this, but I just now got the information about the meeting.

Mr. Fraser: A supplementary question, Mr. Speaker. I wonder if the minister could clarify the matter for the House. My information is that a request has been made by the union for arbitration, not for a conciliation officer. Could the minister confirm whether that is so and if it is, what the response of Teleglobe has been?

Mrs. Sauvé: Mr. Speaker, my information is that a conciliator has been suggested, not an arbitrator, but I will inquire.

* * *

[*Translation*]

NATIONAL DEFENCE

ALLEGED USE OF GANDER AIRPORT TO TRANSPORT CUBAN TROOPS TO ANGOLA

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is for the Minister of National Defence.

Can he tell us whether he was personally consulted before his department gave Cuban authorities permission to use the airport in Gander, Newfoundland, so that Fidel Castro's troops could be carried to Angola to fight as communist guerrillas?

[*English*]

Hon. Barney Danson (Minister of National Defence): No, Mr. Speaker, I was not personally consulted, nor am I aware, nor do we have a guard of honour.

[*Translation*]

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

[*English*]

REASON FOR ALLEGED REFUSAL TO BUY LEOPARD II TANK—CO-ORDINATION WITH ARMED FORCES OF WEST GERMANY AND OTHER NATO ALLIES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is also for the Minister of National Defence. In view of the rather surprising revelation on Saturday by Mr. Leber, the West German defence minister that he had tried to sell the Leopard II to Canada and as the publication "NATO'S Fifteen Nations" indicates that the Leopard II will be ready for delivery by late 1979 and since the Leopard I's that the minister has bought will not be completely delivered until at least mid-1979, could the minister explain why he refused to buy the new advanced tank which will have a new engine, new armour and a 120 mm. gun?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, he did not try to sell me the Leopard II, he wanted to sell us the Leopard also.

Some hon. Members: Oh oh!

An hon. Member: Who?

Mr. Danson: He seems to be very pleased that we have purchased these tanks which are available now and with which our troops are pleased. I am surprised at the delivery dates given because it is my understanding that not only will the Leopard II not be ready until perhaps the early 1980's but that their place on the delivery system would be at least the mid-1980's. Certainly there was no attempt by Herr Leber to change my mind on this issue.

Mr. McKinnon: A supplementary question, Mr. Speaker. There are a lot of marks on the Leopard tank but that is the first time I have heard of the "Leopard also". Has the minister read the report which appeared in the press last month that Mr. Leber said Canada and West Germany would be establishing a committee to study ways of further co-ordinating their armed forces and that a report could be expected in August? Apart from expressing regret that it was Mr. Leber and not our own minister who broke this important piece of news to the Canadian people, I should like to ask the minister what kind of coordination is involved and whether similar co-ordination is being planned with the forces of our other NATO allies?

Mr. Danson: Mr. Speaker, there are two aspects to that. One is the coordination of troops working together which has been a continuing policy not only with the troops of the Federal Republic of Germany but with United States troops and other NATO allies, so that there is inter-operability in the field. The new and significant part of our discussions related to the research, development and procurement programs so that we can organize our efforts in these fields, trying to analyze areas in advance of need so that we could have more consistent policies regarding procurement, research and development.

[*Translation*]

Mr. Speaker: Order, please. I did not see the hon. member for Shefford, who wants to ask a supplementary question to the Minister of National Defence. I now recognize him.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I thank you for your kindness. I would rather keep my question for ten o'clock tonight.

An hon. Member: At six o'clock!

* * *

[*English*]

BILINGUALISM

REQUEST THAT MINISTER MAKE POLICY STATEMENT IN HOUSE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State in his capacity as the responsible spokesman in this government for matters affecting its bilingual policy. Is the minister prepared today to give a firm, ironclad and unequivocal undertaking here and now to depart from recent government practice in so far as it relates to announcements on important matters of national interest and concern and, instead of making his widely publicized statement believed to be due next week, on the government's revised bilingual policy outside the House, to do so as a statement on motions in this Chamber thereby permitting members the opportunity to seek clarification of that policy through questioning?

Hon. John Roberts (Secretary of State): Yes, Mr. Speaker. As the hon. member knows, in the past when I have had something to say of importance I have made a statement in the House.

[*Translation*]

. . . and next Tuesday, Mr. Speaker, I will table in the House a paper on the official languages. I also think I will hold a press conference Tuesday afternoon. Afterwards, I will make a statement in the House.

* * *

[*English*]

TRANSPORT

HALL REPORT ON RAILWAY PENSION PLANS—REQUEST FOR ASSURANCE CONSIDERATION GIVEN TO RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport regarding the Hall Report only in this instance it is the report of Dr. Noel

Hall on railway pension plans in Canada. Since referring that report to management and the unions dòes not do a solitary thing for railway workers already retired, both CNR and CPR, will the government take action to make sure those old timers are not forgotten?

● (1500)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, my colleague the Minister of Labour is putting what analysis the question may require before the government. In the meantime a good number of matters referred to in the report are, by Dr. Hall's own definition, suitable for negotiation.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Since every reference the Minister of Labour has made to this matter has been to the effect that it is up to management and the unions, when can we have a statement as to what the government itself will do to improve the pensions of those railway workers who are already retired?

Mr. Lang: Mr. Speaker, as I said, the whole question of the report is being considered. Obviously, decisions taken as a result of that consideration will be announced.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on my usual Thursday point of order, to ask the deputy government House leader what will be the business for the balance of this week and next week?

Mr. Blais: Mr. Speaker, under government orders next week on Monday, between 11 and one o'clock, and Tuesday as well, we shall consider Bill C-27, the unemployment insurance bill, to be followed by the Auditor General's bill, C-20. That ought to carry us through until next Wednesday, or even Thursday, when we might finish, if we have not already done so by then, consideration of the metric bill which hon. members opposite seem reluctant to pass.

Mr. Nowlan: Bring Jack Horner back, and we will vote on it quickly.

Mr. Blais: Mr. Speaker, the Minister without Portfolio (Mr. Horner) is being helpful to us in Manitoba today.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thank the deputy House leader for that information. I am sure he will tell the hon. member for Crowfoot (Mr. Horner) when we shall deal with the metric bill next week, and we look forward to seeing him in the House.

An hon. Member: Do not reflect on a vote.

Mr. Baker (Grenville-Carleton): Mr. Speaker, hon. members know I never reflect on a vote but the fact is, the hon. member for Crowfoot ducked the vote. Also, could the deputy House leader designate an opposition day next week? That is to say, has he been informed of arrangements in this regard by the government House leader?

Mr. Blais: Mr. Speaker, there is no indication that there will be an opposition day next week. Usually, opposition days are announced for the following week. They are announced on this day of the week, in the usual way.

ROUTINE PROCEEDINGS

[*Translation*]

CLOTHING AND TEXTILES

TABLING OF REPORT OF COMMISSION

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, in accordance with the provisions of Standing Order 41(2), I have the honour to table in both official languages the inquiry report on clothing carried out by the Textile and Clothing Board.

* * *

[*English*]

ELECTORAL READJUSTMENT

On the Order: Introduction of bills:

The President of the Treasury Board—Bill intituled: 'An Act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario.'

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to this bill. Actually, my point of order does not concern the bill so much as the name of the person who is introducing it. I do not oppose the bill. My colleagues and I are prepared to support it, if it is along the lines indicated. My point of order is this: The responsibility for electoral boundaries belongs to the President of the Privy Council (Mr. MacEachen). Why, then, is this bill being introduced in the name of the President of the Treasury Board (Mr. Andras)? I realize he comes from the part of the country affected, but ministers do not have responsibility on a geographic basis. Indeed, if this is a private member's bill it should not have the status of a government bill. It ought to be in the name of the member of cabinet who is responsible for this area of public business.

Mr. Speaker: Order, please. The point of order the hon. member for Winnipeg North Centre (Mr. Knowles) raised is noted. Seeing the President of the Treasury Board present in the House I rose, after calling introduction of bills, to announce the bill which stands in his name and is ready for first reading, I think. As the House has just seen, the President of the Treasury Board does not intend to introduce the bill at this time. The hon. member's point of order is well noted, and

will give the Chair time, before the bill is introduced, to determine if this is an aberration or a fatal flaw in terms of administrative responsibilities.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: 1956.

[*Text*]

CBC'S EXPENDITURES FOR TRAVEL IN 1975 AND 1976

Question No. 1,956—**Mr. Huntington:**

1. What was CBC's total expenditure for travel in (a) 1975 (b) 1976?

2. For the same years, what was the total expenditure for travel with (a) Air Canada (b) Canadian Pacific Airlines (c) Canadian National Railways (d) Canadian Pacific Railway (e) other modes of transportation and, in each case, what was the total amount placed (a) directly (b) through a travel agent?

3. For the same years, what are the names of travel agencies used and, in each case, what was the gross amount?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. CBC records have not been maintained in a manner which would enable the Corporation to extract from travel records readily and without an inordinate amount of work, time and expense, the cost of transportation for CBC employees who travel on Corporation business.

2. (a), (b), (c), (d) As for the total expenditure for travel with individual transportation companies, either directly or through travel agents, it has not been customary to require the CBC to supply such details of its internal management and administration as the amounts paid to individual firms with which it has business relationships. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975. However, the total amounts paid directly to the transportation companies listed in the question were $948,000 in 1975 and $1,453,000 in 1976. The total amounts spent with the same companies through travel agents were $752,000 in 1975 and $1,043,000 in 1976. (e) Total amounts paid in connection with other modes of transportation were (a) $352,000 (1975), $309,000 (1976), and (b) $34,000 (1975), $71,000 (1976).

3. Montreal: Lawson Travel, N.D.G. Travel, Holiday Travel, Voyages Carina, Dorette Entreprise, Drake Travel, Planet Air, Voyages Mission, BB Travel, Globensky Inc.; Toronto: P. Lawson Travel; Ottawa: Universal Travel; St. John's: Legrows Travel, Mike Martin Travel; Quebec City: Club Automobile; Matane: Agence de Voyages Logan; Winnipeg: Atlas Lance Travel Ltd.; Windsor: Clark Travel; Vancouver: Thos. Cook, Kokanee Travel, TPY Travel Service, Bayshore Travel, Wright's Travel, B.C.A.A., Sky Trail; Frobisher Bay, N.W.T.: Holiday Travel; Yellowknife, N.W.T.: Yellowknife Travel. Regarding gross amounts paid to individual travel agencies, see the answer to part 2 above.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions No. 1728 and 1846 could be made orders for return, these returns would be tabled immediately.

[*Text*]

CROWN CORPORATIONS EMPLOYEES

Question No. 1,728—**Mr. Herbert:**

How many Crown corporation employees are in each province and territory, excluding the National Capital Region?

Return tabled.

DRUG SUNDRIES CONTAINING CHLOROFORM

Question No. 1,846—**Mr. Yewchuk:**

By brand, which toothpastes, cough medicines and cosmetics on sale in Canada contain chloroform?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty, pursuant to our revised proceedings, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Conflict of Interest—Knowledge of Minister of Agriculture of Senator Davey's interest in Blue Water Racing Associates Ltd.; the hon. member for Central Nova (Mr. MacKay)—Conflict of Interest—Activities of Senator Davey respecting certain companies.

I might remind hon. members that as was announced earlier there will be royal assent at 5.45 and therefore the proceedings at six o'clock will be delayed a few minutes. It was felt that it was appropriate to go ahead with them even if they were delayed; hence, only two questions are listed.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

PETITION TO END CONTROLS ON JUNE 30, 1977

Mr. Sinclair Stevens (York-Simcoe) moved:

That the Anti-Inflation Act being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada 1974-75-76 shall expire on the 30th day of June, 1977.

He said: Mr. Speaker, our motion today is prompted by the increasing evidence that the Canadian economy continues to deteriorate at an alarming pace. Real growth is below expectations, inflation and unemployment are above expectations and our competitive position in the world has fallen, as evidenced by a $10 billion end-products trade deficit in each of the last two years, almost triple the 1971 level.

An hon. Member: Shame!

Mr. Stevens: We have been lulled into believing that debt is a substitute for real wealth. With our foreign borrowings now at $50 billion, or approximately $5,000 for each of our workers, we have become the world's greatest debtor. Unfortunately, much of this current international borrowing has been to pay for consumer goods and services, creating the illusion we are wealthier than we really are. As a nation we are not on the right course.

This government's budgetary thrusts have misfired. Forecasts have not materialized. In his May 25 budget last year the Minister of Finance (Mr. Macdonald) said, "The Canadian economy will generate more than 250,000 new jobs this year." He was referring to 1976. Yet from December, 1975 to December, 1976 only 67,000 jobs were created, a 73 per cent shortfall.

The minister stated further that "Unemployment will gradually decline as cyclical expansion takes hold." Instead, unemployment rose to a 37-year high, while United States unemployment is at a 30-month low.

Mr. Clarke: And the government will not stay to listen.

● (1510)

Mr. Stevens: A factor contributing to this economic malaise is the government's reluctance to drop its wage and price controls which are not only working poorly but which are deterring the formation of investment capital and the creation of jobs. I would say this to whoever might be inclined to vote against our motion and, in effect, for a continuation of controls: He or she should go down to the local unemployment offices and look squarely in the eye the people who are being condemned to further unemployment.

It is no accident that we are now experiencing the highest unemployment rate of any industrialized nation. It is not just happenstance that in each of our five eastern provinces the level of unemployment is higher than that of any state south of the border. It is due to poor economic direction on the part of this administration and its officials, including those at the Bank of Canada. It is time to stop using Canada as a test tube or guinea pig for Galbraithian theories. It is time we put an end to wage and price controls in their present form.

Against this background and with mounting evidence that wage and price controls are not working, the onus is upon the administration, and in particular upon the Prime Minister (Mr. Trudeau), today, tomorrow and Monday, to justify the continuation of controls. Oddly enough, we have already heard a great deal of evidence from the Prime Minister and his ministers that in today's economic environment controls should be terminated. And there is very little evidence from the same sources that they should be continued. I intend to present some of this evidence and refer to some of those statements later in my remarks. When we compare statements made by the Prime Minister on the subject of controls with those made by the Minister of Finance (Mr. Macdonald) we find that over the years the Prime Minister has tended to say whatever he feels would further his own political interests, irrespective of the facts. Sometimes he has been in favour of controls, sometimes against them. But through it all he has been consistently inconsistent. The Minister of Finance has showed more candour, consistently maintaining that we should be out of controls as soon as possible.

Mr. Speaker, the government's wage and price program has been nothing more than a cruel hoax on the Canadian public. Three years ago in the 1974 election, hon. members will recall that the Prime Minister was peddling a beautiful potion called "Trudeau Liberalism". On that occasion, this patent medicine-man described controls as "a disaster looking for a place to happen". Today there can be no confusion as to what controls, as instituted by the government, have and have not done. They have failed effectively to contain inflation which after 20 months is now running at an annual rate of 10.4 per cent, only 2/10ths of one per cent lower than the 10.6 per cent annual rate when controls were first applied. Even the administration admits that this year's target for inflation will not be met and has given up completely on next year's target of 4 per cent. It is becoming just another embarrassing memory.

Controls have, however, been effective in deterring real economic growth and they have stifled the creation of jobs for hundreds of thousands who are out of work. I could read into the record opinions expressed by many of our nation's leading figures, all calling for an end to controls—people like former deputy finance minister Simon Reisman or labour's Ron Lang. "Think tanks" like the Fraser Institute and the C.B. Howe Institute all believe, as we do, that the process of decontrol should begin immediately. But the most appropriate source from which to quote today is the Prime Minister. I do not believe anybody could say it any better than he did when he told a Nova Scotia audience that controls "create far more problems than they solve" or when he said "the economies which have been subjected to this straitjacket of freeze and controls have not performed better on inflation and have themselves been turning in very poor performances".

It is precisely those two effects produced by controls—marginal success in fighting inflation and stifled economic performance—which are the basis of my party's challenge to the government to begin the decontrol process, not next month, not next year, but now. I believe we should take the Prime Minister at his word when he told a St. Catharines audience that "the real way to fight inflation is not to put a straitjacket on the economy; not to throttle the worker or farmer, or the producer or the storekeeper; not to bring in a system of hocus-pocus magical solutions." I hope the Prime Minister will remember his words when he said: "If a government cannot cope with self-induced inflation it deserves to be thrown out."

The plain truth is that whatever marginal success we have had in the battle against soaring costs has been due to the competitive process in the private sector. The Minister of Finance himself made this clear in committee recently. He said, and I quote: "Indeed, prices have been held down as much by the competitive factor as by the anti-inflation program." To make the situation doubly clear, he added: "May I correct that? It was more by competitive factors than by anti-inflation programs."

In the light of the minister's admission that it is the private sector, not the Anti-Inflation Board, which is containing prices, why are we still rigidly locked into wage and price controls? Why is the government not moving quickly to dismantle a system which has created very serious distortions in our economy, distortions which are evident from the flight of investment capital to the United States and our miserable record in job creation? We on this side suspect that the Trudeau administration is playing politics with our nation's economy—that it is abdicating its responsibility for leadership and is once again fashioning another of its great misrepresentations. The government knows that now is the time to get out of controls. The Minister of Finance said in February that the economic situation "would appear to give us the green light for decontrol" and he reaffirmed this view in committee two weeks ago. The government knows this. Yet it is stalling because the Prime Minister does not know how it should be played politically. Such lack of leadership is dangerous. The government realizes that controls should be lifted. The Minister of Finance said he hopes they are lifted sooner rather than later because of the concern he feels might exist regarding distortions which could arise. In short, the government seems to be torn between economic realities and sheer political expediency.

● (1520)

In suggesting today that the decontrol period should commence on June 30, let me make one thing clear. We are not as hard on controls as the Prime Minister was when he chose to be against controls in 1974. We believe that controls can be used for a limited period in connection with proper fiscal restraint, monetary restraint, and above all if there is a disposition on the part of government to deregulate the economy. Such imposition of controls, however, I would emphasize, should be temporary and they must be administered in an equitable fashion. To this end, the controls must have a certainty so that they will be clear to all who wish to abide by them. They must never appear to favour one group or one sector or one person over another group, sector or person.

[Mr. Stevens.]

So far today, Mr. Speaker, I have attempted to establish that Canada's economic realities dictate that decontrol should begin on June 30. Over and above that, it is important to remember that this administration's wage and price controls program has not met the essential ingredients of an effective wage and price controls program. When the administration announced their current wage and price controls, they referred to fiscal restraint and monetary restraint. They said that there was a need to deregulate the economy. This has, in fact, not happened. There has been little restraint on the part of this government, and what restraint we have had has been unintentional.

In recent months the government has had no alternative but to be restrained, because frankly it has run out of revenue. The government's own planning is so far off course that it simply has nothing left to spend. The record budgetary deficit of $7.1 billion this year is a response not to today's problems but to yesterday's mistakes, and the restraint the government talks about is really the result of running out of revenue.

When the minister talks of breaking the inflationary psychology, I suspect he really means that he has at long last discovered the bottom of the taxpayer's pocket. No less than Gerald Bouey, governor of the Bank of Canada, has spelled out the significant role of government in causing inflation in this country. In the November 1975 Bank of Canada Review, Governor Bouey had this to say: "There is no great mystery about the nature and origins of our current economic difficulties." They are, he said, the result of the pursuit of "very expansionary monetary and fiscal policies". "The current wave of inflation", he added, "was not initiated by a marked acceleration of wage and salary increases". Nevertheless the Governor supported wage and price controls provided they were applied in tandem with a policy of monetary and fiscal restraint.

Have we had such restraint? We all know that government spending plans have jumped 28 per cent since the middle of 1975. Such government spending increases are, of course, not reflected in the consumer price index but in the nation's broader index, known as the deflator. There we find that between the third quarter of 1975 and the end of last year, government prices jumped 15.2 per cent in Canada, or about one per cent a month. Some fiscal restraint!

So far as monetary restraint is concerned, perhaps the simplest way to put it is that in September, 1975 just before controls began our banks had total Canadian assets, including Canadian deposits, of $73 billion. By March of this year those assets had exploded to $92 billion, or 25 per cent more than they were 18 months previously. That represents roughly an increase of 1.4 per cent per month. To suggest that that is monetary restraint, with real growth in this country running in the same period at something between 5 and 6 per cent, is ludicrous.

Now let me deal with government rhetoric about deregulating the economy. On October 14, 1975 the minister, when presenting the anti-inflation package, said:

> We propose to scrutinize a wide variety of government policies and programs in an effort to find ways of reducing rigidities and costs that may impose unnecessarily on various sectors of the economy.

In the 20 months which have ensued there has been no meaningful review of government spending programs or of their effect on the regulation of business. Rather than deregulate the government is in fact proposing still greater regulation of industry. In this connection I refer hon. members to two bills both coming out of the Department of Consumer and Corporate Affairs. Bill C-16, which is now before a committee of this House, proposes to regulate the finance industry in certain ways. Obviously, it has been drafted by a person who does not understand the financial world, so much so that to date the minister has offered 75 amendments to the bill in committee. Yet notwithstanding that bungling, the minister admits that should the bill be passed it will require 25 additional civil servants, at a cost of $500,000, to administer this program of regulation.

The same minister has Bill C-42 before another committee, the so-called competition bill. There we find it is proposed to appoint an "economic czar" to rule on various business matters in this country. We find this project will require the hiring of 80 civil servants further to regulate the industry, at a total cost of $2 million.

I cite those two examples of further proposed regulation because it is of interest to note that when the Department of Consumer and Corporate Affairs was established by the former minister of the department, John Turner, in 1968, he pointed out that the net cost of the department was $2 million and that he did not anticipate this expenditure would rise. Today, we find it has blossomed into a department employing 3,027 civil servants and has a net budget of $61 million. In those few years, Mr. Speaker, the budget has grown from a net of $2 million to $61 million. Where is the deregulation which the government has said is part of its anti-inflation program?

I have cited the example of one department, the Department of Consumer and Corporate Affairs; I could cite many others. I could go through department by department and show the constant intrusion into the business affairs of Canadians which this governent insists upon. This can be seen in the growth of the Anti-Inflation Board itself. It has grown four and a half times from its original size and now costs the taxpayers of Canada $12 million in salaries alone.

Ending the Anti-Inflation Board would be one step, in our opinion, in restoring competition in our economy, in restoring meaningful collective bargaining, in restoring the proper balance between the public and the private sectors. Incidentally, the private sector is the source of wealth and the wellhead of jobs for most people in Canada. The ending of the AIB would also be one step in the deregulation of our economy and the restoring of confidence in the business community of Canada today.

Having said that, I emphasize that our position with respect to the motion today has been consistent. In October, 1975 when the government first proposed the anti-inflation legislation which we are now considering we made it clear that we felt its timing was wrong but that we would go along with the government if it would assure us that the program would be for a relatively short period of time, and in any event for not longer than 18 months. They refused to give us that assurance which caused us to vote against the legislation at every stage. We were frightened they were proposing to bring in controls for a relatively lengthy period of time in Canada. We originally supported 18 months, and now it is 20 months. All the evidence suggests that the country would be better off without the controls in their present form. The experiment is over, if you like, and it is time for the government to retreat from their intervention in the marketplace. The experiment has failed.

● (1530)

As I have said, if you have controls, then the essence of the program must be one which the people feel is equitable. They must feel it applies to the rich, the poor, businessmen, the worker, the farmer and the processor. This program has never had that general confidence which is needed to make a wage and price control program work properly. This program is not a control program. If you analyse it, it is rather like a loose-fitting lid which tends to perpetuate inflation, as much as it tends to control inflation.

In the United States, which has no controls, inflation is currently running at 6.8 per cent. We in Canada face inflation of 7.8 per cent. How could it be otherwise? Once the government suggests that everybody is entitled to an 8 per cent or a 6 per cent increase, plus 2 per cent for productivity and 2 per cent for catch-up—a total increase of 10 per cent or 12 per cent—you have given the negotiators an excuse to say they will accept the 10 per cent or 12 per cent, and then the haggling begins as to how much over those two levels the negotiators can extract from the others. Rather than settling a ceiling, the guidelines have become the floor for such settlements. In this context it may be more appropriate to say that the initials AIB stand for assured inflation base.

Not only is the controls program indefinite in its application, but there are glaring exceptions to the rules. The minister's own economic review, on page 30, vividly outlines the distortions which can be institutionalized in a program of this type. For example, we find that dentists received fees and incomes more than 19 per cent higher than their base periods. Despite the AIB guidelines limiting the increases to $2,400 a year, these and other professionals earned as much as $6,940 more in the reporting period than they did in the year before, almost three times the stated guidelines which others are asked to abide by. On the whole, professional incomes in all categories increased by 12 per cent or $4,890 which was twice the permitted level. The government says that this excessive income is due to the overlap in reporting periods, fiscal year ends and they may have worked harder. It may be, but the minister should tell that to the labourer who has been denied a 50 cent hourly raise on a $4 wage base. Tell that to the man

who knows instinctively that AIB can put a much stronger bite on his salary than on the salaries of his dentist, lawyer or doctor. Try to explain to him why he has been singled out to bear the brunt of the fight against inflation when he reads in the papers that the salary of the vice-president of one aluminium company jumped from $147,000 to $162,000 in the first year of the wage and price control program, or that an oil company executive received a $30,000 salary increase in the first year of the program.

Mr. Broadbent: You are going to make me cry.

Mr. Stevens: Try to explain to that man that the pensions of several top executives have risen from $40,000 to $60,000 a year, contrary to the whole spirit of the anti-inflation program.

Some hon. Members: Hear, hear!

Mr. Stevens: Tell that to a man who is making an hourly wage of $4 and is being denied a 50 cent an hour increase.

Mr. Broadbent: Shame on you for voting for it.

Mr. Stevens: I believe those are some of the inequities which call for this program to be ended soon, namely June 30.

Another point I should like to touch on is the approach of government to their own spending increases. I have referred to salary increases, but it is also important to note what has happened to postal rates which went up 50 per cent. People have written to me, and I presume to other members of this House, concerning the 50 per cent postal rate and how it is justified. They have been told by the government that it is because we are losing too much money and our expenditures have gone up. What businessman could not say his expenditures have gone up if he was guaranteed a price hike of 50 per cent, if he felt that is all it would take to get that new price increase? The reasons for these astronomical increases may be justified, but I ask the government to consider the unmeasured cost of such disillusionment in our entire system. Think of the bitterness which will continue to grow when people sense the distortions being created by this AIB program. Whatever reasons or elaborate justifications the government can give for their own spending hikes or executive salary hikes, the man denied the 50 cent hourly increase will remember that the salaries of 29 top officers of Bell Canada will average $102,000 in 1977, an increase of $13,000 each over 1976.

There are distortions in the government's own spending programs. An example of that is user-pay. I see the Minister of Transport (Mr. Lang) is present in the House. This is a favourite concept which he likes to espouse with respect to covering the deficits which have been run up mainly at Mirabel and in the Toronto airport situation.

I should like to cite one perhaps vivid example of the government practising anything but restraint, in spite of talking about restraint. I refer to the Bank of Canada's own Hall of Mirrors. How can we have faith in the federal government's so-called restraint when the Bank of Canada continues to build the most luxurious central head office that there will be anywhere in the world.

Some hon. Members: Hear, hear!

Mr. Stevens: The cost of this new Palace of Versailles, this new temple to the bureaucracy—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. The hon. member for Grenville-Carleton (Mr. Baker) on a point of order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I realize there is a difficulty with respect to the rules; but if it would be agreeable to the House, I would ask that the hon. member for York-Simcoe (Mr. Stevens) be allowed 40 minutes and that the other lead speakers in each of the parties also be allowed to proceed for a period of 40 minutes, and perhaps thereafter the speakers be limited to 30 minute speeches. In advancing this proposition, I hope it will be acceptable to the leader of the government on this occasion and the other leaders of the House.

● (1540)

Mr. Macdonald (Rosedale): That certainly suits me, Mr. Speaker. I take it the hon. member means the three opposition parties and the government spokesman.

Mr. Baker (Grenville-Carleton): That is right, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this makes sense and we hope the House will agree to it.

[*Translation*]

Mr. Gauthier (Roberval): We agree to the proposal, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Turner): Is there unanimous consent that the first speaker for each party will speak for 40 minutes and all other speakers 30 minutes?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It is so ordered.

Mr. Stevens: Mr. Speaker, I thank the members of the House for their co-operation. I will attempt to be reasonably brief. I was referring to what I feel is a rather lavish demonstration of lack of restraint in the continuing construction of the Bank of Canada building on Wellington Street. The last estimate of the cost of that building which we had about a year ago was $55 million. We are currently trying to get new estimates. Apparently spending increases have been so unexpected that we cannot get a current accurate estimate of the total cost of that building.

I am simply saying that in the name of restraint, if nothing else is a symbol of restraint, I would have expected the government to have pulled back on the building of such a lavish financial building as is being built on Wellington Street. In fact, even at $55 million it means that the balance sheet value of the total real estate holdings of the Bank of Canada all across Canada is almost doubled by the cost of that one building.

Before coming to our proposals as to what should happen on June 30, I wish to briefly comment on what we fear may happen if the government continues with their present plan. We have been told by the Minister of Finance that he will announce before August a decontrol date. If you read the green paper, it is fairly clear that the program the government favours as far as decontrols are concerned is the so-called first-in first-out approach. In effect, that means corporations will be decontrolled in accordance with their fiscal year ends and labour contracts will be decontrolled at the date of their expiration.

I believe that if the government were pressed today, we would find that it was their current intention to announce a decontrol date as of January 1. When you think of it, that is a rather clever approach. Seventy per cent of the corporations have their year-end on December 31. This means that 70 per cent of the corporations in Canada will remain controlled until December 31, 1978. Fifty per cent of the labour contracts mature in the final quarter of the year. That means that 50 per cent of those contracts would be caught until virtually the end of 1978. That is one reason why we are pressing this motion today. We believe it is too long a period of time to be tying up the corporate side and the labour side of this country with the disjointed controls program that we now have.

Some hon. Members: Hear, hear!

Mr. Stevens: We realize that there is apprehension among some, that when the present control program is ended and when decontrols become effective, there could be a flare-up with respect to either prices or wage settlements. We do not believe that will happen. However, we believe some mechanism should be put in place to ensure that there will be a minimum risk of that type of bubble flare-up or call it what you wish. To that end, we suggest with the dismantling of the present controls program on June 30 it should be understood that the rulings of the AIB or the administrator will continue to have effect for the term to which they apply. That is the first thing.

Second, we believe that price and wage developments from then on could be monitored by the Department of Consumer and Corporate Affairs. I have already indicated that they have a staff of some 3,000. Surely they would not have to add to their staff. That monitoring should ensure that if there are excessive price increases or wage settlements, public attention will be drawn to them.

We would suggest also that for the first six to 12 month period following decontrol day the largest corporations, the top 200 which represent approximately 54 per cent of the total production in this country, should be monitored by the Department of Consumer and Corporate Affairs. In addition, there should be a 30 day advance notice given with respect to any price increase by those companies.

Likewise for the six to 12 months following decontrol day, June 30, we feel that unions representing workers in those largest corporations should be subject to a 30 day delay after settlement before the contract becomes effective. We feel this would allow for a public review of whatever the price or wage settlement might be. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) would then be able to draw public attention to anything he thought was excessive. If necessary, we suggest he should make a reference to the cabinet and, if necessary, the cabinet should accept the responsibility of rolling back either the price or wage settlement if they thought it was unduly excessive.

We emphasize that we believe this mechanism will at least ensure that there will not be the explosion in prices or wages that some fear, but which we do not fear, will occur after decontrols begin. However, should there be some kind of explosion, I believe it is right for the government to reserve the ultimate weapon of wage and price controls.

If for some reason the marketplace that has worked well in this country, certainly for decades, does not in the future work as well, government can reserve the right to impose wage and price controls at least for a temporary period. However, we believe that period is long gone as far as existing controls are concerned and they should be ended. We are stating the caution, if you like, that such a wage and price control program could be reimposed. That is the ultimate weapon the government should hold in order to ensure that there will not be unfair price or wage increases during the decontrol period.

That is our position. We urge hon. members to support the motion now before the House. We believe that with such a decontrol program, with meaningful fiscal restraint, monetary restraint and more deregulation rather than further regulation of Canadian industry that we can restore this country to a real growth of five or six per cent per year with a minimum of inflation and a minimum of unemployment. Canadians deserve it.

This can be one of the wealthiest nations in the world on a per capita basis. We as a nation, a government and a parliament must accept the challenge of delivering the real wealth that Canadians should have, not detracting from it as has happened to date.

● (1550)

Mr. Edward Broadbent (Oshawa-Whitby): I cannot resist beginning my remarks today without commenting—

Some hon. Members: Try.

Mr. Broadbent: My friends to my right have guessed the preamble. As I said, I cannot resist beginning my remarks without commenting on the virtual Alice in Wonderland atmosphere that has set the stage for this afternoon's debate. Notwithstanding the remarkable dialectical processes of the mind that we just saw displayed by the hon. member for York-Simcoe (Mr. Stevens), the financial spokesman for the Conservative Party, the very system of wage and price controls we are now questioning as a result of the motion brought before the House by the Official Opposition was first introduced by the Conservative Party during the 1974 election.

Mr. Fraser: That is not intellectually honest.

Mr. Broadbent: The hon. member for Halifax (Mr. Stanfield), an esteemed—and I mean that most sincerely—and honourable leader, as leader of his party at that time lost the election to the Liberals in 1974 on precisely this issue when the Prime Minister (Mr. Trudeau) stumped the country swearing to the heavens that his government would never introduce so perverse a piece of legislation. My party, the only party I would suggest by its very nature committed to a planned and controlled economy, opposed this Conservative aberration because we saw it, in our judgment in any case, as being both unfair and unworkable.

An hon. Member: What controls would you have?

Mr. Broadbent: I will come to that.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Oshawa-Whitby has the floor. We have three days in which to complete this debate and everyone will get his turn.

Mr. Broadbent: My colleagues, literally and figuratively to the right, are a little sensitive on the issue. As I was saying, this program was first advocated by the Conservatives in 1974 and attacked by the Liberals in the same election campaign. After that election, as we all know, with the deftness and shiftiness worthy of Mackenzie King, the present Prime Minister introduced the Tory set of wage and price controls which he had so successfully campaigned against. The NDP continued its opposition because the Conservative system as proposed remained equally unfair and unworkable when implemented by the Liberals.

I was interested to hear the speech of the hon. member who preceded me. Like the hon. member for Crowfoot (Mr. Horner), the Tories, whether in the House or out of it, are never quite sure in what corner they belong. At one stage they voted for these controls, and at another they opposed them. I take it that the position just outlined by the Conservative Party will last at least 48 hours. They are now opposed to the controls. However, having said that, the plum for sheer and utter political opportunism, the credit for reaching new heights in this kind of political activity, has to go the Prime Minister and the Liberal Party.

Mr. Stanfield: No question about that.

Mr. Broadbent: As the hon. member for Halifax (Mr. Stanfield) said, there is no question about that. When it comes to duplicity, no political party in the country, living or dead, can compete with the Liberal Party.

An hon. Member: Some dead ones can.

Mr. Broadbent: Having said that as a polite preamble, I think it is important to underline that the majority of Canadians, both among organized and unorganized workers, despite the present inequity and distortions of the anti-inflation program, are prepared to support some form of incomes policy. I do not think there is any doubt about that at all. But they want a fair program, not one which largely ignores prices and profits while permitting executives to get a $60,000 a year increase. Surely it must now be evident, even to the present government, that in the Canadian case—and that is the one we are talking about—salaries and wages were not the cause of the rampant inflation which led to the imposition of these controls in the fall of 1975. The evidence before 1975 clearly demonstrates this, and since that time inflation continues, while wages are the only element or our economy that is effectively controlled.

The AIB states that inflation will average over 7 per cent this year. Indeed, for the last four months inflation has increased at a rate exceeding 10 per cent. Who knows if it is going to stay at the 7 per cent level. There is very good reason to believe that the 10 per cent experience of the past few months can remain the common experience throughout the rest of this year. Food, oil and mortgage prices either remain high or continue to rocket upward. The real purchasing power of Canadian farmers is lower today than it was five years ago. These are the affects of the controls. Through the entire control period, when food is excluded from the consumer price index, the rate of inflation for every other element than food has continued to rise between 9 per cent and 11 per cent. In short, the program has simply not worked in terms of curtailing price increases. Canadian workers, I add immediately, have paid the price not once but twice over with this set of controls. Their incomes have been held down while the prices they pay increase. Any way you work the equation, ordinary Canadians, whether they are in the east or in the west or in southern Ontario, have been unfairly treated by this program.

Without spending much time today enumerating the many obvious inequities that are so evident in the program currently in place, I simply remind the House of the example I raised with the Minister of Finance (Mr. Macdonald) in the question period yesterday. I refer, of course, to the executive salary increases which, as I just indicated, are permitted to rise at the rate of $60,000 a year while ordinary Canadians, more than two million of whom live at the poverty level, are restricted to increases that cannot exceed $2,400. Such is the rough justice bestowed on the people of Canada by the Minister of Finance. Indeed, Canadians would have been unaware of the increases had I not drawn them to the attention of the Minister of Finance yesterday—our House leader referred a similar batch to the government's attention not long ago. Also, the Canadian people would not be aware of these horrendous increases had it not been for the American Securities and Exchange Commission which files reports on their firms' operations here in our country. Incredible? While incredible for normal people, it is not at all incredible in terms of the way the Liberal Party has governed this country.

The other example of unfairness, besides the obvious one in terms of salaries and wages, is the added penalty that Canadian women in particular have had to pay with this program, despite the platitudinous statements and provisions in the AIB regulations which permit increases designated to eliminate discriminatory pay practices. The board, in its first test on this question, shamelessly rolled back just such an award for Canadian women in the case of the Winnipeg Health Sciences Centre—surely a disgusting example of unfairness. The board

not only ignores workers and women's rights, but has also ignored its own published regulations.

As I said, I see no great need this afternoon to detail the program of obvious inequities. Rather we in the NDP feel it a responsibility upon us, in opposing this set of controls, this unfair AIB program, to provide some counter suggestions as to what should be put in its place. Despite the collective desire of the majority of Canadians to support government action in implementing an effective and fair form of incomes policy, this government in its green paper has clearly chosen to return to the status quo, to return to the same so-called free market system which has repeatedly led to either rampant inflation or unacceptable unemployment or, as the present situation sadly illustrates, to both high unemployment and high inflation.

● (1600)

When this government says, and I quote, "The market system is an efficient mechanism for allocating resources and it has great advantages in terms of the freedom of choice and scope for initiative that it offers," it is either being dishonest or, probably, hopelessly foolish. To claim that a forum for consultative action is going to change Canada's economic system one iota—as does the green paper—has the same truth value as the claim that inflation has been wrestled to the ground, or that separatism as a political movement in Quebec is dead. These are two equally "profound" observations which have been made by this government in the past.

It is important to note at this point in my argument that our economic system, in its essentials—I want to stress that—has remained unaltered by the controls. This controls program simply made a bad economic situation worse. It is clear both from the reiterated faith in the free market of the Prime Minister (Mr. Trudeau) and the green paper that the government plans simply to return to that status quo, as I said. But what is that status quo which in its essentials before the controls program, and after, has remained the same? Under controls, investment and pricing decisions are still made by the same people and largely in the same manner.

Under controls, unemployment continues to worsen and our national income remains grossly maldistributed. The situation has become marginally worse. Under controls, regional disparities still tear at the fabric of the nation and many of our natural resources continue to be misallocated, if they are not exported out of the country entirely. In short, Canadians find themselves in basically the same unfair economic circumstances today with these controls as they did without them. The prime difference is that with the controls the rhetoric justifying inequality has become even more hypocritical and offensive. My guess is that Canadians, at long last, have acquired a very healthy skepticism concerning the Prime Minister's shifting concepts of society. In 1968, we all remember with chagrin the "just society". Then we were launched on the search for the Prime Minister's new society. Before we could locate that, we were reintroduced to Mackenzie King's middle society in the throne speech. With the green paper, we will now return to the status quo. Such is the dialectical process of Canadian liberalism.

Mr. Fraser: Why did you support them? Why did you keep them alive for two years?

Mr. Broadbent: I remind the hon. member that it was his party, not ours, which supported controls.

Mr. Fraser: You supported the Liberal party. You could have destroyed it.

Mr. Broadbent: Perceiving business unrest, and talk of a new society by the Prime Minister, the government sounded a thorough-going retreat from government planning by asserting its intention to allow free market forces to once again guide our economic destiny. Whether the Liberals can reassure the business community by retreating from suggestions of economic decision-making by the government remains to be seen. What is clear, however, is that the majority of Canadians want positive economic reform and positive economic leadership on the part of their governments. They want solutions, particularly to rampant inflation and to disturbing and sad unemployment. Our history clearly demonstrates that the so-called free market forces—contrary to what the Prime Minister has said, and contrary to what has been argued in the House this afternoon—have not, and cannot, solve Canada's economic difficulties. This wisdom has been learned even by middle-of-the-road parties all over the western world, except by such parties here in Canada.

Such forces, the so-called free market forces, will continue to fail in the future as they have failed in the past, and the Conservative promise of returning trust and confidence to a government where leadership will replace controls should be seen for what it is, a political assertion that a Conservative government would have precisely the same faith in free market forces as do the Liberals. The Conservative rhetoric differs; the substance, however, remains the same. The speech we heard from the Conservative party this afternoon confirms that in every detail.

Having made those observations, I want now to outline the New Democratic Party alternatives to our economic condition. In doing so, I want to make a couple of preliminary, straightforward and honest comments about the nature of inflation in Canada. First, because of the deep intermingling of our economy with that of the United States, much of our inflation in this country—I am tempted to say, most of it—is beyond our control. We trade in it by necessity, import it by proximity, and pay for it as the price of maintaining throughout our years a branch plant 17°conomy. Pretending to control inflation of this sort is to deny our existence, to deny our geography and to deny our past entrepreneurial inadequacies. It is simply to be dishonest to claim we can control that kind of inflation which we import.

The second point I want to make is that if we are to contend seriously and honestly with the effects of inflation, our government can, and should, provide some cushioning by ensuring that those unable to cope with inflation can at least be

compensated. In this connection I think particularly of those unfortunate Canadians living on welfare, and our pensioners. Most important of all are the steps the government can take to ensure that the Canadian economy is strong, resilient and able to continue functioning at full capacity without reflecting every twitch of the Dow Jones index on the New York stock exchange.

It is the position of the New Democratic Party that we should be looking to the establishment of a national incomes policy in the very near future. I want to stress in this context that a consciously pursued national incomes policy is inextricably linked with economic planning, as virtually every government in western Europe has discovered and, indeed, as the government of Japan has discovered. We cannot isolate ourselves from the rest of the world; but we can insulate our economy and make it more equitable with permanent economic planning at the national level. The national debate we should be having here this afternoon is one that should focus upon requesting the government of the day to take the lead in establishing the means by which Canadians can consciously seek to establish national planning and implement an effective incomes policy.

The fact is that we already have planning, we already have a controls system in the country, and they both work in a most haphazard and inequitable fashion shaped by a corporate dominated market economy. That is not simply left-wing political rhetoric; it is an economic description of the facts.

Mr. Fraser: It is simple left-wing rhetoric.

Mr. Broadbent: I wish the hon. member would read a few elementary economics textbooks. Even right-wing textbooks acknowledge these elementary facts. They draw different conclusions, but they acknowledge the facts. The Conservatives obviously are not even up to the task of recognizing facts. The purpose of a national incomes policy, in our view, should be to determine consciously how large the national income will be, at what rate it will increase and how, and in what proportion, it should be shared out to the various sectors of the economy. That is what it should all be about. That is what has been done in other countries.

Mr. Fraser: Have you ever been to Poland?

Mr. Broadbent: The Polish joke which was just made does not even merit comment. As I said, Mr. Speaker, no elaborate bureaucracy is required to implement the program. The mechanisms by which such a policy could be determined already exist in many government institutions. Every tax change or tax concession, each new tariff, a major subsidy or new transfer payment, every government decision affecting a commodity like oil, is part of an incomes policy. Change any of these elements and you change the size of the income, the rate of growth and the way it is shared among the people of Canada.

● (1610)

As I have said, the question before us, then, is not whether we should have planning and an incomes policy, but what kind of planning and incomes policy we should have, and who should do the planning. The NDP, from its inception, has believed in the necessity of national planning in the economy. To assume that market forces would inherently achieve the common good is to believe that in a stampede mice need have no fear of elephants. It is as simple as that.

For the New Democratic Party there are three main ingredients in determining such a long-term policy in Canada. The first is the subject of investment allocation. Investment allocation obviously affects inflation and unemployment, as well as the rate and kinds of incomes growth in regions and for individuals. It is essential, therefore, that the national government play a leading role in investment policy. I reject the approach taken by the Conservative spokesman who categorically rejected government involvement in this regard.

I want to stress and to make clear that we do not want a cumbersome, inefficient, stultifying, centralized bureaucracy making all of our economic decisions. That is not how it works. While recognizing the authority and propriety of the national government to take decisive action in the economy for the public good, what is required is simply a planning authority in the Department of Finance. Such an authority, under government control, would interact with the private sector to ensure entrepreneurial efficiency and decentralized decision-making. Simply stated, what we require in Canada is a new national instrument to effect investment timing and priorities of the kind which have worked with great success for a number of years in Sweden. It would work in the following manner—

An hon. Member: You sound like Ed Schreyer.

Mr. Broadbent: Mr. Speaker, Conservatives have difficulty learning not only from books, but from other countries. Under such a proposal, each major firm would be required to deposit a portion of its profits in special firm-specific accounts with the government. Firms could spend the moneys in these accounts only at the times and for the purposes approved by the government. Thus, the government would not assume direct control over these funds. What is important is that it would have a significant means to directly influence the timing and direction of private sector investments. This is essential if we are to deal seriously with the inflation and unemployment which flow automatically from a market economy. I am talking about direct intervention in a mixed economy to reach the goals that the majority of the people desire—minimum levels of inflation and maximum levels of employment. That is how it can work.

Funds would be accumulated in periods of full employment and excess demand. They would be released in recessionary periods, to state the obvious. Thus, the cyclical nature and impact of the market economy could be significantly changed. Investment in regions of high unemployment would be given preference. Investment in housing would be encouraged. Investment in inventories could also be allowed in periods of slack demand. The business sector would accept that. In short, inflation and unemployment could be dealt with from within the framework of a set of national priorities established by the

national government. I repeat, in countries like Sweden we have seen this investment system work, and work well, both for the majority of the people and for the industry in the country. To a considerable degree, the private sector in Sweden supports and maintains precisely this kind of economic planning because they know it leads to an efficient, productive economy. It is time we tried it here.

The other two elements for the NDP in determining a Canadian planning and incomes policy are to be found in employment and taxation programs. Today, both are high among the pressing issues of Canadian politics. We have a tragic unemployment problem and, with our existing tax laws, a hidden welfare system for the rich. I want to show how both are relevant to an incomes policy and to dealing in a serious way with a post-control society. By dealing with the unemployment problem, and by replacing the welfare system for the rich with a policy of taxation reform, we would be taking the necessary first steps toward a national incomes policy. The human consequence of unemployment is clear to all who want to look at the problem. I have no intention of repeating in today's debate the points I have made on other occasions about the human degradation that is involved when we have a system that allows 1½ million Canadians to remain unemployed.

Apart from the human condition, the government has deflected our attention from the serious economic consequences of the unemployment problem in part by creating the economic myth that high rates of unemployment are inevitable and, therefore, the loss must be written off. The West Germans have not written them off, and the Japanese have not written them off. Only according to the Canadian government is high unemployment inevitable. We have been ignoring the fact that more than one million Canadians are not producing goods and services, nor are they receiving adequate incomes, and we have been ignoring the economic implications of this. Canada's unemployed are poorer for lack of work, poorer for lack of dignity that comes from work; so are we economically poorer as a nation because of this high level of unemployment.

The Liberals took from social democracy the idea and philosophy that our unemployed needed care; and I give the government credit for establishing a good unemployment insurance scheme. But, Mr. Speaker, they have ignored the even more basic social democratic requirement, namely, that we need an economic program of full employment. Social democrats in this country and elsewhere have always maintained that a fully employed, fully productive economy is a prerequisite of social and economic justice as a whole. You cannot have one without the other, in our view.

After 19 months of unemployment at rates over 7 per cent, the government can no longer hide the terrible drain on the economy—$6 billion annually in lost production of goods and services, $2 billion annually in unemployment insurance and welfare costs, and at least $1 billion in lost tax revenue. This level of unemployment and this lost production of goods and services has a direct and negative effect on levels of inflation. That is the point I want to make this afternoon. I have already put before parliament in this session detailed proposals for setting targets and timetables to achieve full employment over a three-year or four-year period. It cannot be done in a month. It cannot be done in a year or two. To achieve full employment would take three or four years. We have made serious suggestions on how to achieve this objective.

The point I am making now is that there is a connection between increased production of goods and services, and inflation. The higher the production, the greater the likelihood of prices going down. More jobs, in short, with planning and other measures lead to less inflation. The other important element in sensible national planning that I want to talk about this afternoon is tax policy. Central to any incomes policy is a country's tax law. Our income tax system is in greater need of overhaul today than it was ten years ago when the Carter commission called for major reforms. The tax reform called for at that time has not only been ignored but has been reversed in application.

• (1620)

Corporate tax concessions unrelated to any specific economic benefit have continued in recent years in spite of criticism not only from those who believe in fairness but from those who believe in economic efficiency. I remind the Minister of Finance (Mr. Macdonald) this his predecessor commissioned his department to do a study. It concluded that special corporate tax concessions this government had introduced had not led to any positive net economic benefit for Canada. Social democratic governments of western Europe believe in a private sector, as does the New Democratic Party. But those governments do not give away billions of dollars to corporations as do the Canadian Liberals. A corporate tax concession in Sweden or West Germany depends on specific economic benefits. We need that system in Canada today.

The even more disturbing tax development of recent years is the extension of unjustified loopholes to personal income. This development has directly affected our ability to obtain support for an incomes policy. Every loophole, dodge or deferral accountants can think of has been written into the personal tax system, with the result that more than $6.4 billion is lost to the federal treasury every year, according to the National Welfare Council whose report published not long ago spells out in horrible detail how this system works. The report noted some 17 varieties of tax exemption open to and used by the rich in Canada.

Mr. Breau: They are not loopholes.

Mr. Broadbent: Our tax system is regressive, not progressive. I urge the hon. member opposite to read the report.

Mr. Breau: I have read it.

Mr. Broadbent: I want to stress something in this debate. I am talking about tax reform, not simply because we need to end inequities in our system which have been with us for a long time, but because we must make our tax system fair and so make it an important foundation for an incomes policy. In my view, major tax reform is the first essential step to effecting

improvements in collective bargaining in Canada. There is not a trade union in this country which would not welcome a reduction of the pressure-cooker atmosphere in which every round of bargaining is conducted at present. Union members would demand less wages if we had a fair and progressive tax system and the prospect of real growth in their income. The evidence in other countries shows that the idea works there. I am sure it would work here.

Canada can look forward to a stronger, more just economy in future only if we are prepared to acknowledge the need for the government to set national priorities which the majority of Canadians consider fair. If Canadian workers see fair taxes, lower mortgage rates and controlled energy prices, as they have them in other countries, they will co-operate with the government on an incomes policy. Unless the government embarks on the kind of planning I have suggested, in principle if not in detail, after our present controls come off we shall see a return in this country of the free market system which created precisely the difficulties from which we are trying to extricate ourselves.

Unless the government plans as I suggest, we shall revert to the boom and bust cycle which has plagued not only our market economy but that of every other developed country of the world. It will happen if the Liberals want to go back to those conditions. Let them not think they can deal with unemployment for a couple of years, drop that issue, deal with inflation for another couple of years, and so on, *ad infinitum, ad nauseam;* for I tell the Minister of Finance the people of Canada are tired of it. I say, on behalf of my party, a mixed economy can be made to work. We can deal with both unemployment and inflation simultaneously, as other countries have. But we cannot do it by burying our heads in the outdated thinking of the past, by allowing an unregulated economy to create problems for us in the future as it has in the past. We need sensible, tough-minded government planning. That is precisely what we say should take the place of the present controls.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I welcome the added opportunity to rise this afternoon, on behalf of my constituents in Richmond, to comment on the motion before us and the current government's anti-inflation program. Since the government launched that program, the economic situation of Canadians has remained on the same general course, that is on a steady decline. We will be told today, tomorrow and Monday that such unencouraging results are due to global economic conditions, that things are not so bad as the opposition would have it, that a five, ten or fifteen per cent increase in food costs is not too much because things would be worse had we not the Anti-Inflation Act.

The government side certainly will use the same statistics we have on this subject, but both sides will be making totally opposite points. We suggest that those figures, including those referred to by the sponsor of the motion, clearly point to the dangerous path Canada has been following. The government in turn will use the same figures to indicate how lucky we are to get away at such little cost. Inflation certainly is bad in itself, but we must be weary of the opposite pitfall, letting things worsen by importing or letting big or multinational corporations import cheaper products from abroad, which would be importing unemployment. This would not abate inflation because the importing monopoly that buys cheaper abroad increases its profits rather than passing the saving on to the Canadian consumer.

So the one making the profit is the importer who can do as he pleases. I think the controls that were set up under the Anti-Inflation Act did not entirely manage to control importations. Here, I am placing myself in the boots of a guy in Richmond, for example, who will be asking himself when he reads about us—because we will be read tomorrow or this afternoon—if we really thought about him. I am wondering what the guy who was just laid off at Duchesse Shoe in Richmond, for example, is thinking, what the guy who was just laid off or is about to be laid off at Brown Shoe Co. (Canada) Ltd. in Richmond is thinking? I am wondering also what the copper mine worker in Stratford thinks of the effect of that anti-inflation law when there was an attempt to control the price of the metal. It was so much controlled that over 360 miners were laid off in the past year and a half. What was done to help them? Absolutely nothing, apart from giving a little bit of money to those who went to Canada Manpower Centres so they could move where there is another mine. Those 40 years of age and over were allowed to have a little unemployment under certain conditions, namely, that they report to two or three employers a week and be always asked the same question—are you looking for work?

Mr. Speaker, I think that all those questions are negative and do not lead anywhere. If the Anti-Inflation Act as set up by this government did not give better results, then it must absolutely be abolished. That Anti-Inflation Act must be repealed as soon as possible. In any case, we did not apply it to those who lend money, such as banks, to those who are already too rich. Banks are now richer than they ever were. They are making more money than they ever did. Money lenders before 1969 were getting 5½ per cent interest on first mortgages. That is the ordinary money lender. Last year, the same lender was getting 12½ per cent on first mortages for 75 per cent assessment, meaning he was lending 75 per cent of the actual value at 12½ per cent. That Anti-Inflation Act did not affect him at all. It affected the worker, of course, but it did not affect trusts at all.

Here I want to be direct, but not too harsh, because there is no point in it. I think suggestions must be constructive. I find that perhaps the Anti-Inflation Act affected dividends, perhaps certain areas of the stock market but did not go far enough as far as those who profit from little people, particularly little people who are exploited in an extraordinary way by any inflation, as the hon. member who spoke before me, the leader of the NDP (Mr. Broadbent), suggested earlier. I think the hon. member for York-Simcoe (Mr. Stevens) also said the same thing. I think there is an attempt to extend the market to form some sort of common import-export market without

being too sharp on those controls. So they say that if we let footwear from Taiwan or elsewhere into Canada it is because that imported footwear costs 32, 33, 35 per cent less than the same footwear manufactured in this country. We are going to get it cheaper. That is wrong, wrong! As consumers we just have to go in any store—which I refrain from naming not to give them free advertising—in big anonymous chain stores which are the prime importers of footwear import in Canada and we will realize that shoes are becoming ever more expensive. Let us see what we were paying three years ago. For a pair of shoes manufactured outside this country and which comes from Taiwan, Japan, Czechoslovakia or elsewhere, and I have bills to prove it, we had to pay $33 and a few cents. Today that same pair of shoes imported from the very same places costs $54 in big chain stores. The government lets footwear enter the country in a flood as if there were no controls at all. It controls inflation because it is risky but it does not control the profits of the guy of the anonymous trust which makes a place for himself and against everybody. We dare not touch him.

● (1630)

An hon. Member: That one is not in the boat!

Mr. Beaudoin: He is not in the boat of course! He is being controlled in a strange manner; perhaps he can be controlled by taxing profits. If it is a multinational corporation, it is very well controlled because one area of its activities is controlled, mostly if it goes through two or three countries before getting there: I will prove it to you in a few moments.

I should like to point out that subject to the House because that legislation affected everybody. Above all, there is one area which was not affected. The government made a large contribution to help the textile industry through that Anti-dumping Act and others—and it gets my admiration for that—because that was not an act but a regulation: that was a dumping measure.

The government took positive action, and again today one minister stood up to talk about that matter. I think that in textiles, in Quebec at least, things are improving and I commend the government for it. But in the shoe industry things have been going very badly for the last six or seven years. More specifically, June 4, 1970, as reported on page 7711 of *Hansard*, I was asking for the adjournment of the House precisely because the shoe industry was in dire straits. Mr. Speaker refused that motion because, though the matter was very important, it was not that urgent, and I quote:

> The problem brought up by the hon. member for Richmond is certainly of national importance and worries several of his colleagues as well who have already shown, by means of repeated representations during the last weeks and months, that they are equally interested in this matter.
>
> However, it seems to me that this very important problem drawn to our attention by the hon. member for Richmond does not have the urgency and immediacy required under Standing Order 26.
>
> With the hon. member for Richmond and his colleagues, we must admit it is a problem national in scope, but it is important that a matter brought up under the provisions of Standing Order 26. . .

. . .and so on, be of a new, urgent and sudden nature. The Chair was perfectly right, it was not a matter of sudden urgency, the footwear manufacturing industry had been in a poor situation for such a long time.

> Under the circumstances, while acknowledging again the immediate and national importance of the problem raised by the hon. member, I respectfully suggest to him that it is not possible today to propose a motion asking for the adjournment of the House to discuss the problem which he pointed out.

Therefore, I followed the advice of the Chair and brought this matter up again and again during the next days and months.

● (1640)

On June 16, 1970, I asked under Standing Order 43 that a debate be held on the matter, but it was not allowed by a few members of the House. If I may I would like to quote an excerpt of my intervention as reported on page 8154 of *Hansard:*

> Mr. Speaker, I feel that the study of the question justifies an emergency debate considering that since January 1, 1970 shoe factories have been closing down at the fantastic rate of nearly one a week and, considering that between 1956 and 1969, Canada's footwear production has decreased by 1 per cent whereas imports have jumped by 568 per cent, considering that the industry now employs 3,260 fewer workers than in 1966 and considering also that the government seems to have lost control of footwear imports into Canada.

And I added:

> On June 2, the Minister of Industry, Trade and Commerce (Mr. Pepin) announced to the House that talks were under way about restrictions of footwear imports and I believe the same measure is urgently needed regarding the footwear industry.

As can be found at page 9009 of *Hansard* for November 13, 1975, I continued in that sense. Mr. Speaker, I do not wish to take up the time of the House with this, but I find that we have to repeat the same things over and over again in here, without any benefit for the producers or the workers in the shoe industry; that is unbelievable. That is why I want to say to hon. members that I know they are in good faith. But, again, this good faith should be continued and stressed in this matter. As recorded in *Hansard* at page 9009, I moved another motion requesting the Minister of Industry, Trade and Commerce (Mr. Jamieson), to do something urgently before it was too late, and as can be expected, my motion was once again rejected.

On November 24, 1975, I outlined once more the real situation in that industry in Canada. As usual the government answered that it was taking the matter into serious consideration. And I want to quote the words used by the then parliamentary secretary to the minister of industry, trade and commerce, a Liberal member sitting opposite me, and I quote:

> In closing, Mr. Speaker, I would like to note that while this sectorial strategy applied only to the leather footwear and tanning industries in the beginning, the Minister of Industry, Trade and Commerce is now considering extending its advantages to the rubber footwear subsector. This action follows the annulment, on August 28 of this year, of the general preferential tariff for rubber footwear and the reinstatement of the most favoured nation 20 per cent tariff.
>
> As the Minister of Industry, Trade and Commerce stated on November 20 of this year, the government will continue to examine periodically the status of the footwear industry and to determine if other action is required in the future.

I therefore congratulate the hon. member for the interest that he has shown in this important industry. Moreover, as other members also said during the Liberal party caucus, we should continue to review regularly the situation of the footwear industry in Canada.

And I quite agree with those remarks, as I said earlier. I believe that if the Liberal caucus enforced more strictly the anti-inflation legislation which was introduced at the beginning of the anti-inflation program, we should have gone further and therefore should have been more efficient. Considering the situation is getting worse, I suggest we should precisely repeal this Anti-Inflation Act.

An inquiry was set up, and special reports on footwear are now before the House, dated February 24, 1972, June 29, 1973, December 21, 1973 respectively and so on. In 1971, the Anti-dumping tribunal set up an inquiry on footwear and when the report was made public in 1973, special measures were taken. What has happened? Let us look at today's situation. Between 1968 and 1975, the share of the Canadian market held by imports has increased from 38.3 to 50 per cent. If we compare the figures of 1976 and 1977 for the month of January, imports have increased by 47 per cent in these areas.

From 1975 to 1976 alone South Korea raised its shoe exports to Canada by 119.2 per cent. These are official figures recently released by the Department of Industry, Trade and Commerce. For Greece, the raise was 137.6 per cent, for Taiwan, 84.9 per cent. The share of the Canadian market in 1977 was 32 per cent. We started with 58 per cent in 1970 and we went down to 32 per cent in 1977. And then we would like to protect the jobs of people who work and try to be more efficient in the shoe manufacturing industry. Many industries operate now at 65 and 70 per cent of their capacity. I have consulted with great care the briefs which have been presented recently to the Anti-dumping Tribunal by the Shoe Manufacturers' Association and other briefs from companies of my riding. The unions involved have presented a very consistent and very well structured memorandum to the Minister of Labour (Mr. Munro) in January this year about this question. And now, Mr. Speaker, a well established company which has worked for 60 years in our area, Duchesse Shoe, closed its plant ten days ago. H. H. Brown Shoe Co. (Canada) Ltd., from Richmond, which had nearly 800 employees now employs about 650. Since its inception in 1953 this company was a very sound business until 1974. Since then, its sales are constantly going down, with 225,000 fewer pairs of shoes each year, a situation which brings more unemployment. Orders are at their lowest level for a seven-day cutting period while at the same time last year this period was of 27 days and so on.

In Acton Vale for example Acton Shoe Co. Limited reduced the number of its employees from 240 to 190 these last few months. In Sherbrooke, in the riding of my hon. friend and colleague, the member for Sherbrooke (Mr. Pelletier), who spoke to the House not long ago—and I commend him for trying to smarten up the government—Igloo Felt closed its doors at the beginning of May and locked out, very unwillingly, 80 of its employees. I could carry on like this for hours, Mr. Speaker. What can I say to these people? Things are bad, it is true, no questions about that. I can not even tell them that everything is going wrong, everybody knows it. But what can we do to improve things? I do not believe we should accept being swamped under imports in Canada just to maintain good business relations with other countries. Mr. Speaker, what those people in the shoe industry want is a decent job that would allow them to consider the future with serenity. I am speaking about workers who want to succeed in their business and who want to live with optimism.

Things were a little better in 1973 because the government was more attentive, it was a minority government and at that time the situation was better. It was not ideal but we could live with it. We had a minority government and it was very effective. I think it was the only time where they had a specific action program about that issue. The results were not all good but they were encouraging nonetheless. In 1974 we dropped back to the same point, especially since the anti-dumping legislation was adopted, and in the last six or twelve months it has been horrible, it is simply discouraging.

I believe the government should consider a more effective and immediate control on imports, not next year or in two years but right now.

The government should consider that issue so essential in my riding and in the surrounding area.

The government does not seem to see it that way, but I still believe is is better to feed our own children rather than the others and it is better to provide work for Canadians and help them keep their jobs rather than for friends we do not know; I mean the "anonymous importers" who are making money by the bagful—they do not even know what to do with it—through exploitation of the Canadian workers.

I do not have anything against developing countries like Taiwan, Korea or China, I do not have anything against those developing countries, but I think we should think more positively, think about our own people first. We must, as soon as possible, start an intensive campaign in Canada to provide incentives for Canadians to buy in the country. I know Canadians, especially Quebecers. They will do so, Mr. Speaker, and Canadian industries will have a better market and future in Canada.

In concluding, with your permission I would like to quote the evidence submitted by H. H. Brown Shoe Canada Ltd., from Richmond, to the anti-dumping tribunal, which is a good summary of the thinking of all the shoe industry, of all the workers in this industry and which illustrates my opinion on this situation. I hope you will excuse my English, I am not all that bilingual. The report is in English. It was submitted by H. H. Brown Shoe Canada Ltd. where everybody is perfectly bilingual. But since it was submitted in Toronto, it was drafted in English and I respect the other official language of the country.

● (1650)

[*English*]

My name is Claude Brouillette, executive vice-president of the H. H. Brown Shoe Co. (Canada) Ltd., of Richmond, Quebec.

We are a manufacturer of men's shoes, work boots, dress shoes, cowboy boots and skates.

Our daily production which was 7,000 pairs in 1973 and 1974, has presently dropped to 5,500 pairs, a drop of 22 per cent.

In 1973, we had 769 employees, whereas in 1977 we now have 656 employees, a drop of 113 employees.

A lot of these employees had been loyal employees working for our company for many years.

We are the principal employer in Richmond and have always had peaceful, pleasant labour relations.

Our company has enjoyed a successful operation, since it started in 1953 up until 1974. Since then we have lost 225,000 pairs a year.

There is no doubt that the sales we lost are due to imports coming mainly from South Korea, Taiwan, Poland, United States, Czechoslovakia, Romania and Brazil. These goods are the exact copy of our shoes, as I will demonstrate later on and are offered to our customers at prices 30 per cent below our quotations.

The situation is one of urgency and action must be taken at once. A submission that was presented to your tribunal, suggests that a committee be formed. I am afraid, Mr. Chairman, that by the time the committee is formed, there will not be enough manufacturers left to form a committee.

Our designer has just spent three weeks in Europe to collect new ideas on styling, lasts, colours, etc. He also attends most of the shoe shows in Europe and America.

Our equipment and buildings are as up to date, if not better, as any of our overseas competitors.

Even if we consider the many styles and mixed sizes that we have to deal with every day, the constant loss of production during the last years, the loss to the imports in volume numbers creating a large increase in short runs, having to operate at 65 per cent of our capacity, our productivity is better than any of our operations in U.S.A. and also of any men's shoe manufacturer in America that I know.

What else can we do?

Our company is 25 years old and it is an established, respected member of the shoe industry of Canada.

We believe we have made every effort to compete with imports but without a market we cannot survive.

We want to keep supplying our customers with merchandise backed up with quality, comfort and delivery.

Mr. Chairman, we can survive only if we are provided with a decent share of the market.

[*Translation*]

Mr. Speaker, I say it again, it is urgent. One needs only read carefully the submissions I read, these and others, to know it is urgent. The fate of thousands of families and workers is in the hands of the present government. Will it deceive them once again? I hope, like one government member said the other night in answer to a question I asked on the shoe situation, that the Liberal caucus will consider that question. For me, I shall return to it later so that something can be done and that shoe workers can be satisfied with an economy and a trade that expand instead of shrinking. That trade must expand above all for the benefit of Canadian workers and manufacturers. To conclude, I would ask the government to abolish as soon as possible, if it is still possible in a reasonable delay so as not to create too many problems, this Anti-Inflation Act which, in my opinion, has not got to the core of the problem, that is those who really profit by inflation in the country.

[*English*]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the debate today provides us with an opportunity not only to discuss the impact and the progress under the present program, but also some opportunities to review the choices for the future when the program will be at an end. It poses for members a number of questions upon which I think it would be reasonable for the government, and indeed the country, to expect some responses. For example, how do members propose to deal with the challenges of an economic nature in the future, particularly in regard to inflation? How are we to avoid, for example, the threat of a renewed spiral of inflation in Canada? The government has set out its analysis on these particular questions in the green paper "Agenda for Co-operation" and has elaborated a course of action for the post-control period. These three days of debate will have been usefully spent if they can provide a full canvas of possible approaches for the future and we can have a clear statement on the part of each of the parties in the House as to where they stand.

I would intend to focus in my participation on four points: first, to review the experience under the program comparing the situation in October, 1975, to the one in which we find ourselves at the present time; second, to set out the government's approach to decontrol; third, to talk about post-control environment as we see it, and also to talk about some the proposals which we have set out in the document entitled "Agenda for Co-operation"; and fourth, to take the opportunity to comment on some of the opposition arguments which we have heard this afternoon.

As well as my own participation in the debate, several of our ministerial colleagues will be speaking on some of the structural changes which are set out in the "Agenda for Co-operation". A number of my colleagues will be commenting on their own particular perspectives on the inflation problem and the anti-inflation program as we have experienced it.

I am not clear on the procedure this evening as to whether or not there is a private members' hour at this point.

Mr. Baker (Grenville-Carleton): Yes, there is.

Mr. Macdonald (Rosedale): In that case, I would like to call it five o'clock.

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions, and public bills.

• (1700)

PRIVATE BILLS

[*English*]

BELL CANADA

The House resumed, from Thursday, June 2, consideration of the motion of Mr. O'Connell that Bill S-2, respecting Bell

Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, there is an objection by a number of members to the passage of this bill. The parliament of Canada is being asked to water down the stock by increasing the number of shares. This company deals primarily in the public utilities field. It has a monopoly. It should be paying attention to the needs of its subscribers and the Canadian public, as well as giving some protection to the shareholders who are now involved in the ownership of Bell Canada.

Bell Canada operates in a vacuum. This may now be changing slightly. For many years the Canadian Transport Commission was the only regulatory body, other than parliament, that had any control over that company. It has recently been controlled to some degree by the CRTC. The CRTC is asking a number of questions that were never asked before on behalf of subscribers.

It is interesting to read in various articles the two different aspects of the problem we face. The CRTC had a hearing in northern Canada in March of this year, as reported in the *Citizen*. It was indicated at those hearings that Bell was applying for a general rate increase, the fourth in four years. They apply for one every year. This increase would have added $172 million to its annual revenue. Last year Bell took in $1.9 billion. The article states that the Inuit Association in northern Quebec has been frustrated waiting for approval from Bell to set up Taquamiut Napingat, their telephone exchange, for two years in order to provide telephone service to the residents in that area.

The CRTC has given some consideration to the public. No longer are they satisfied with the 20 cent pay telephone charge. They have given Bell six months to revert to providing ten-cent service to the public. The employees are unhappy, as are the subscribers. This government gives that company immense assistance in the satellite program.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have followed this debate as it has meandered through the pages of *Hansard*. It is an interesting debate, indeed. I read with some interest the speech made by the hon. member for Scarborough East (Mr. O'Connell) when introducing the bill for debate in this House. He moved that the bill be read a second time and referred to the Standing Committee on Transport and Communications. Like that hon. member, I wish to make a declaration with regard to shareholders.

At one time I owned some shares in Bell Canada. They treated me reasonably well during the period I held them. Because of the policies of this government the whole market was affected somehow or another. Those shares suffered just a wee bit in terms of value. Last November, because I am a member of the House of Commons, I sold all the shares that I own. I decided to invest in Canada, and I invested in Canada Savings Bonds. I wanted to make that declaration because the hon. member for Scarborough East made a similar declaration. The hon. member for Annapolis Valley (Mr. Nowlan) also made a declaration when he spoke.

There has been a rather interesting course of events. The debate began on May 27, 1977, when the hon. member for Scarborough East outlined the general provisions of the bill. His outline of the bill was satisfactory. The hon. member for Sault Ste. Marie (Mr. Symes) also spoke in the debate on May 27 and advanced his point of view. The debate carried on. It seems to have gone on and on.

It is interesting to note that in a debate like this on March 10, 1977, the hon. member for Nickel Belt (Mr. Rodriguez), the hon. member for Broadview (Mr. Gilbert), and the hon. member for Timiskaming (Mr. Peters) made a speech. I think that was on the main motion. On June 2 the hon. member for Timiskaming began a speech on the motion for a six months' hoist. That is the second speech which he finished just a few minutes ago when Your Honour called him to order because his time had expired. We have had in this House a long list of NDP speeches attacking Bell Canada. As far as I am concerned, the NDP can attack whomever they like—and I do not stand particularly as an advocate for Bell Canada.

The problem with this bill is that it is highly technical. It involves an expansion of the capital stock of the company. It involves some changes in the financial provisions of the company's charter. The changes would not affect the regulatory aspects of the company. I understand the company would continue to be regulated in the same way as the British Columbia Telephone Company. This bill would give them similar powers to those granted to the British Columbia Telephone Company about two years ago.

The company says they need some improvements in terms of their financial flexibility, their powers to issue capital stock without CRTC approval. That is something that exercises my friends to the left because they are very much concerned about any move in this country to do away with the regulation of anything. If you turn over a stone somewhere and you find a member of the New Democratic Party, you will find him clutching to his breast a package of orders in council. They love orders in council. They think regulations are marvellous. Their philosophical bent is regulation of everything. However, we are all subject to redemption, and the Good Lord is prepared to forgive almost everything in all of us, even members of the NDP from time to time. I do not deny them their philosophy. Regulation by an extension of the tentacles of government into business is part of their philosophy. We respect them for that, even though from time to time we may disagree with them. They are entitled to it, and we are entitled to make a judgment on it. I know they would not deny us that privilege.

As I understand these highly technical provisions, an attempt is being made to incorporate some sections into the statute law affecting Bell Canada that are involved in other Canadian corporations. As I understand it, the intention of the bill is to authorize the company to alter its objectives, powers and share capital by applying to the Minister of Consumer and Corporate Affairs (Mr. Abbott), and there is some attempt—I do not know whether it is a good attempt or not, and I do not know how we could find that out on second reading—to provide, by way of a negative resolution, the cancellation of the powers by either House of parliament. That, by the way, is provided, I understand, in the Telesat Canada Act. It is not a new procedure.

● (1710)

The reason I rose to take part in the debate is that I have followed it since the outset. I do not agree with all the arguments that have been advanced by those who oppose the bill. I do not think Bell Canada is saintly, by any means. I do not stand as an advocate of Bell Canada, but I am very much concerned that the affairs of the company, which says it has problems, be tested in the House of Commons in a debate on second reading. There is now an amendment for a six months' hoist. I do not know how any member of the House can examine the officials of Bell Canada to see whether or not they need those powers, whether they need the changes that they ask for, unless this bill goes to committee.

Because of its nature, Bell Canada, being incorporated by public act, comes to this parliament to ask for a change in certain things. Once that has happened with a company providing a public service, whether that service is good or bad—that can be examined, too, in context of the bill—I think this parliament owes that company some attention, whether it is Bell Canada or any other public utility that is incorporated, or any company or organization providing a service subject to the jurisdiction of parliament. We owe it not just attention in a repetitive way—and unfortunately that has been the thrust of the debate, a repetition of the same old arguments—but a minute examination of the officers of the company, the requirements of the company, the changes they propose, their effect upon shareholders and subscribers, and a whole host of other things. In other words, this is not an ordinary private bill, it is a bill involving a company that, for better or worse, provides a service to a number of Canadians.

I think we ought to move reasonably quickly to send this bill to the committee. I am satisfied that if Bell Canada were found wanting in the ways that have been described with eloquence by the hon. member for Timiskaming and other members who spoke in the debate, there is no member of the House who would be prepared to grant them those powers. Bell Canada may not get them anyway because of some of the provisions which, upon examination, may be found wanting in terms of the ability of Bell Canada to make a case when they come before the committee.

However, I think it is fair and reasonable for some assumptions to be made. One of those assumptions is that Bell Canada's presently authorized maximum capital of $1.7 billion is expected to be exhausted in 1978. That is an assertion by the company. If that assertion is wrong, if the company has misled parliament with respect to the bill, then they ought to be pitched out of court. But I say to you that they have to get to the courtroom before we can know. That is the real issue, and that is the reason I was moved to take part in the debate.

I have sat here through all but one of the speeches that have been made, and I would not say it is an unreasonable use of the rules of the House to carry on the debate. But I think there comes a time in matters of such a technical nature when the debate should end and we should get the issue into the commitee where witnesses can be called, technical people from within government can be called, perhaps people from CRTC, and a host of others can be called and the question looked at. I base that on the assertion that has been made by the company that they require it. They would be fools to come to parliamnt if they didn't require it. Let us find out if they are fools or not, and let us find out in the committee what the facts are. We cannot do so on second reading; we can merely assert certain things. That is one of the difficulties with second reading debate.

Therefore, I hope that for the purposes of that examination, the NDP will reconsider its motion to hoist the bill for six months and will allow the officials of the company and parliamentarians to examine the bill to see if the case can be made but if parliament does not give them a chance to present it, we would be denying the company their day in court. They cannot get their day in court on second reading debate. They get their day in court in a committee of the House. I will conclude by saying that I think we should allow them to get to the committee where this parliament should take this bill apart and demand all the information. It has more power than any other group to demand information, because it can deny ultimate approval if the information is not forthcoming. We should make the company prove their case and we should not use this amendment procedure, having regard to the purposes of the company which were established by statute of parliament and should be regulated reasonably by parliament.

● (1720)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am convinced that not one of my colleagues was shocked by the fact that I supported a motion of an NDP member to postpone the study of this important bill for six months. I did so quite freely and with a full awareness of my responsibilities because I consider communications an extremely important area. I have no animosity towards Bell Canada, but I would not want it to become a monopoly in the field of communications in our country. First, Mr. Speaker, I would like to say a few words about a famous Canadian who gave man this great invention that we call the telephone.

Mr. Speaker, I believe we do not say as often as we should all that Canada has given man through its citizens. When we travel throughout the world, when we are in European or

Asian countries, we have to place our calls 24, 48 and even 60 hours in advance to communicate with our families in Canada, while in our own country, we have the advantage of being able to place our calls very quickly. This is a great service, but it is also very costly.

If Graham Bell had waited, as certain people want us to do today when we suggest something new in any area, in the area of finance, for instance, as I have done very often, he would have been told, like certain members tell us: Has this been done elsewhere?

Mr. Speaker, if Graham Bell had waited to invent the telephone, if he had wondered if it had been done elsewhere, if the Chinese had done it or if the Russians had done it, today, in 1977, man could still be waiting for this great means of communication. Mr. Speaker, as I have said already, we must not ape others, we must not wait for others to try something so that we may imitate them. Canadians can innovate in any area. Graham Bell understood this. I want to recall his memory because he was a great Canadian who rendered a great service, not only to Canada, but to the whole world. Today, we are studying Bill S-2 which concerns communications.

And in the communications field in Canada we almost have a monopoly in the hands of Bell Canada. We have cooperatives throughout the country who operate and offer services in areas where Bell Canada is not able to make profits. I know what I am talking about, Mr. Speaker. I have spent 20 years in the communication field. I was living in a settlement area where there was no telephone service. When we asked the Bell Company which was located 30 miles from our place in the city of Quebec to give us communication and telephone services they answered they could not do it because it was not profitable for them.

However, we had in the vicinity a company called Quebec Telephone owned by a great Liberal senator who has been in the Senate for several years, Mr. Jules Brillant, who made every effort to develop in the area a telephone service to meet the needs of the population. At that time, Quebec Telephone had jurisdiction over the area but it did not have the financial means to meet the needs of the population. So we called upon Bell Telephone, but they did not agree to give us a service for which we were ready to pay saying it would not be profitable.

Then, Mr. Speaker, we decided to organize with the cooperation of people of goodwill what we called a cooperative network. We founded telephone cooperatives based on the Cooperative unions legislation of the province of Quebec and we succeeded in offering to the people of the areas not served by Bell Telephone the communications means they needed. We had, in the circumstances, to buy all the equipment needed from the Northern Electric Company, a subsidiary of Bell Telephone, and to accept the price set by them as they had no competition. Then, the only company that could supply the equipment for those new communication services to those Cooperative unions was the Northern Electric, a subsidiary of Bell Telephone. Mr. Speaker, later when it became profitable we saw that monopoly establish itself in those areas and today, like in the rest of the country, the telephone service there is very costly because of the lack of competition.

I am a member of the Standing Committee on Management and Members' Services and I am sometimes shocked by the fact that the Canadian Parliament has to give in to the will of Bell Canada to ensure the members of the House of Commons are granted a vital service that enables them to serve the Canadian people, be it from Ottawa, or from the office that each of them maintains in his riding. We feel as if we were caught in a vise. We have become the slaves of a monopoly in communications. And today, through Bill S-2 the House is again being asked to make more concessions and grant Bell Canada additional powers.

Mr. Speaker, we cannot do this inconsiderately. We must come to a halt and consider objectively whether the demands contained in Bill S-2 are really grounded. This is one of the reasons that compelled me to back the motion presented by the member for Timiskaming (Mr. Peters), without considering which party we respectively belong to. For me, it does not matter, Mr. Speaker. What matters are our duties as members of this House. I would have done the very same thing for a Liberal member such as the one sitting in front of me, the member for Rivière-du-Loup-Témiscouata (Mr. Gendron), or even the one who represents the official opposition as parliamentary leader in the House. I would have done it the same way. Why so? Because I look at our responsibilities not from a partisan's angle, but from the viewpoint of the interests that have to be served by this Parliament which is accountable to the Canadian people for a service given to this very people and to prevent a further growth of this monopoly in communications.

Mr. Speaker, let us read the explanatory notes to that bill:

> The said Company shall have power to manufacture telephones and other apparatus connected therewith, and their appurtenances and other instruments, used in connection with the business of a telegraph or telephone company, and also such other electrical instruments and plant as the said Company may deem advisable, and to purchase, sell or lease the same and rights relating thereto, and to build, establish, construct, purchase, acquire or lease, and maintain and operate, or sell or let any line or lines for the transmission of messages by telephone, in Canada or elsewhere, and to make connection, for the purpose of telephone business, with the line or lines of any telegraph or telephone company in Canada or elsewhere, and to aid or advance money to build or work any such line to be used for telephone purposes:

This occurred in 1949, Mr. Speaker. We are now in 1977. Parliament has been unable to progress in this respect. I know it, Mr. Speaker, and I can say so very strongly, although at a certain time Mr. Louis-Philippe Lacroix, the former member for Îles-de-la-Madeleine in the Quebec National Assembly, made false statements against yours truly while he was acting as the manager of a telephone co-operative.

Mr. Speaker, I can prove on the basis of my past experience that the area of communications is highly profitable. Because I should like to prove it, I suggest that we should not, without serious reason, grant new privileges to a company which is something of a monopoly, judging from official data. I still have all these documents. They were given to me as a gift by a grateful board of directors as a reward for the great services I have rendered the Canadian people. Not only do I have them,

but I have them here, in my Ottawa office, where I keep them as a precious heirloom.

Mr. Speaker, I will give an example to the House to show that the field of communications is profitable and that we must not extend to Bell Canada new privileges which will enable it to create an even more powerful monopoly.

Some hon. Members: Hear, hear!

Mr. Lambert (Bellechasse): On January 28, 1949, the closest doctor lived nine miles from my home, and we could reach him only with snow shoes, or on foot, or with a carriage pulled by a horse or an ox, or else with an old 1929 Ford like the one I had at that time. However, I was often called to help my fellow citizens, I had to make three trips in one night to get a doctor whose care was required by mothers. At that time, they accepted maternity without condition, and that is why French Canada still remains the same today. But I worry about the future. So one day I said to myself: "It is ridiculous not to have communication means in 1949, not to be able to call a doctor to attend a mother who had the courage to give a child to her nation."

So I studied about telephone service, and at that time, in Canada, it was not possible to find any textbook in French. All the textbooks dealing with the telephone were written only in English. Although I was not very well versed in English, I managed as best I could and understood what communications by telephone are all about. It's very simple, it's only a matter of two wires, and all you have to do is to arrange them so that they connect with the homes . . .

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

• (1730)

[*English*]

Mr. O'Connell: Mr. Speaker, I rise on a point of order with respect not only to Bill S-2, which is a private bill, but with respect to the procedures of this House regarding private bills.

This is a major Canadian corporation supplying important public services as a public utility, and parliament obliges it to come to this House to seek changes in its charter and its capitalization. The only way this corporation, in contrast to others, can make these changes is to come here. Therefore the procedures we put it through should have relevance to the public interest of the company.

This is the point I am trying to raise because I am going to ask you, as guardian of our interests as private members, if there is a way we could seek a change in the rules. This company must come through a private member. I sponsored the bill in the House. It must be a private bill debated in private members' hour, which in the normal course arises on Thursdays every two weeks. If there is another private bill it arises once every four weeks, and if there are three, it is every six weeks, and many of those occasions do not take place for reasons with which we are all familiar.

That means we oblige the corporation to enter into a procedure which may have no result, with no decision, and in fact there may well be no decision in this session or in the next session. Indeed, there may be no decision at all because this bill may not proceed beyond second reading stage. The company may never get its day in court. I would therefore like to ask whether we are not making a farce of our own institution by the way we proceed.

I should like to suggest that we make some proceeding available through either Standing Order 75A or 75B to cover circumstances such as these.

This whole procedure is divorced from the government; it is divorced from the minister. Are we to be helpless and make a farce of our own institution because we can be held up, session after session after session, when a major corporation is told to come here and we can offer it no result? Mr. Speaker, I think you are the guardian of our interests as private members. We cannot turn to the House leader or to the government; we turn to ourselves. I ask if you, Mr. Speaker, as our guardian, could refer this matter of private bills, and the procedure for dealing with them, to the Standing Committee on Procedure and Organization. I suggest specifically that the chairman of the committee should have the right to seek the kind of all-party, or majority party agreement, which will enable us to consider this kind of bill under a time allocation.

• (1740)

Let us give ourselves some rules which will prevent our running into these impasses, which surely are an affront to the nearly quarter of a million Canadians who own this company, and to the millions of Canadians served by it. We shall deny those Canadians proper service if we deny this company the financing and corporate strength it needs to do its job. We make a farce of ourselves and I appeal to you, Mr. Speaker, to do something about it.

Mr. Nystrom: Mr. Speaker, on a point of order—

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

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

The Acting Speaker (Mr. Ethier): Order, please. The Chair recognizes the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, I think the point of order the hon. member for Scarborough East (Mr. O'Connell) raised is but another stalling tactic in this debate.

Mr. Douglas (Bruce-Grey): Don't be ridiculous.

Mr. Nystrom: Mr. Speaker, we respect the rules of the House and are doing as we should as members of parliament: examining the merits of the case brought forward. The hon. member for Scarborough East suggests we are not getting results. So far as we are concerned we are getting good results, for we are stopping Bell Canada—one of my purposes for participating in the debate. I want to smarten up that large

corporation which is milking the ordinary people of this country. I think the hon. member for Scarborough East does not like the rules because they do not favour his big business colleagues. I think he raised a facetious point of order, a non-point of order. I remember, when we dealt with IAC some months ago, hon. members used similar arguments. They alleged we were stopping that poor little corporation which needed our help in the House. That bill was eventually sent to committee, there to be considered, and this bill will probably end up in the same place, although not until 1978, I hope. Eventually it will reach the committee.

I have no sympathy for the viewpoint of the hon. member for Scarborough East who is an apologist for this huge corporation which is inflicting a great deal of harm on the ordinary Canadian citizen. I hope you ignore his point of order.

Mr. Rodriguez: Mr. Speaker, I rise on the same point of order. The private members' hour is set aside for the consideration of bills private members bring forward. We are doing exactly that with regard to this particular bill which was brought forward by the hon. member for Scarborough East. When you consider that the Senate considered this bill in one day, one can hardly say the bill was properly examined in principle in the other place. I am not suspicious by nature, but I suspect any bill which originates in the other place. I took the opportunity to read in Senate *Hansard* what was said in the debate on bill S-2.

I suggest the government is always prepared to use Standing Order 75A and B. That is always its answer to a proper examination of legislation.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Look, you are caught on the horns of your own dilemma and blaming the opposition for doing what it ought to do. There is no reason to look at the private members' hour, with respect to the hon. member's private bill to do with Bell Canada. We have tried consistently to deal with that corporation before the CTC and CRTC. It provides no proper rural service in northern Ontario and I, as a member from northern Ontario, am going to sit in my seat and not do anything at all until it accounts for its actions in northern Ontario with respect to service. I tell you, Mr. Speaker, the private members' hour is the best check and balance we have with respect to private members' bills.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Bellechasse, on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to express, very calmly and objectively my opinion on the matter.

I am convinced that my good friend, the hon. member for Scarborough East (Mr. O'Connell), when he said that Parliament looks ridiculous to the people, did not mean to tell the House that what I have just said was ridiculous. If that is what the hon. member meant, then I fail to see what we are doing here.

Mr. O'Connell: Not at all.

Mr. Lambert (Bellechasse): Thank you. Mr. Speaker, I wanted to take part in the debate, very objectively, and so fulfil my duty as a parliamentarian and consider very objectively the purpose of the bill. Even though the Senate passed it in the space of a single day, that does not mean that we are sheep here in the House of Commons and that we have to do the same. I don't agree with that at all. We have responsibility. We, in this House, were elected by the people. We were not appointed. We are answerable to the Canadian people, to Bell Canada's subscribers, to those of Quebec Telephone and every other company in Canada. We have a responsibility which we must discharge. We are dutybound to study all the clauses of this bill; that is why a motion for a six months' hoist was put. I feel that in six months we shall have had time to think things over; by then, we will be able—

[*English*]

The Acting Speaker (Mr. Ethier): The Chair has heard the comments of hon. members on the point of order the hon. member for Scarborough East raised. That hon. member asked the Chair to intervene and proposed a certain course of action, but we have no Standing Orders allowing such a thing. Hon. members expressed their viewpoints. One of them is in favour of changing some of our rules; other hon. members are not in favour. However, I do not think the hon. member raised a point of order; therefore the hon. member for Yorkton-Melville (Mr. Nystrom) has the floor.

[*Translation*]

Mr. Nystrom: Mr. Speaker, first I must congratulate the member for Bellechasse (Mr. Lambert) for his fine speech which was very much to the point this afternoon. He said the truth about Bell Canada.

[*English*]

Perhaps I could call it six o'clock.

* * *

● (1750)

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-55, An Act to amend the Customs Tariff (No. 2).—Chapter No. 14.

Bill C-54, An Act to amend the Excise Tax Act (No. 2).—Chapter No. 15.

Bill C-39, An Act to amend the Bank Act and the Quebec Savings Banks Act.—Chapter No. 16.

Bill C-47, An Act to amend the Export Development Act.—Chapter No. 17.

Bill C-8, An Act to amend the Financial Administration Act and to repeal the Satisfied Securities Act.—Chapter No. 18.

Bill C-36, An Act to amend the Motor Vehicle Safety Act.—Chapter No. 19.

Bill C-13, An Act to amend the Historic Sites and Monuments Act.—Chapter No. 20.

Bill C-207, An Act to amend the Railway Act.—Chapter No. 21.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CONFLICT OF INTEREST—ACTIVITIES OF SENATOR DAVEY RESPECTING CERTAIN COMPANIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to pursue the question I took up with the government House leader in his capacity as Acting Prime Minister last Monday, when I questioned the role of Senator Keith Davey, if in fact he had any role, in other enterprises in addition to the one which received so much prominence in the Toronto *Sun*, for which he used to be an eminent correspondent, that is to say, Blue Water Racing Associates Ltd.

I am interested in this matter for several reasons, Mr. Speaker. I was less than impressed with the government House leader's response which he made on the subject of conflict of interest a few days earlier, I think on June 10, when he referred to a green paper and made mention of a bill which was coming along on the subject of conflict of interest.

Over the years there has been a gradual improvement, I suggest, in the general atmosphere. One of the most important steps was taken by a former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), when he discouraged, if not outrightly prohibited, as I recall, cabinet ministers from holding directorships or taking part in business while they were members of cabinet.

To some extent the Canadian people are now convinced that the Senate is nothing more than a repository for people using their substantial Senate salaries to provide themselves with a secure income which allows them to participate in commercial ventures for their own benefit. When they are not doing that, they are perceived to be paid organizers, in effect, for their parties. This is not being fair to most of the Senators, but even if only a few of them are actually carrying on this type of lifestyle, it does reflect badly on the many conscientious Senators who are doing the best they can to discharge their responsibilities.

I became very interested in a company called Hydroculture Luwasa Limited which participates in the esoteric business of growing plants by the addition of nutrients, a very interesting process. When I noted that this particular company, which was incorporated on July 12, 1975, under the corporate name of Hydoculture Luwasa Limited, had as a director none other than Senator Keith Davey, I asked myself what in the world would he be doing, involved in an enterprise like this? Then I began to think: "Well, there is enough greenery and foliage around some of these government offices to make a Tarzan movie", and one almost expect to see a cheetah peeking through some of the foliage in some government buildings. So I obtained a list of the directors and officers. I should like the government House leader to take it as notice to supplement some of the information which I have.

I am interested to know, for example, whether the Senator is still a director in this company. Is he now a shareholder? I want to know to what extent the company does business with the federal government or Crown agencies. I should like to know some other information to supplement my own. I should like to know, if it is relevant, why this company was negotiating to sell itself to another company in a highly regulated but unrelated field, Canadian Cable Systems, Ltd. Senator Davey has been mentioned in other matters, for example, Blue Water Racing Associates Ltd.

The whole situation seems to be something which is not in the best interests of the parliamentary system. I do not want to sound sanctimonious about this, but at this particular point in time it seems unfortunate that a man such as Senator Davey, who is a key campaign adviser, a political strategist in government and a man of prominence, is perceived to be in a position such as was indicated by the Toronto *Sun*. That newspaper said that his assistance in licensing involves setting up meetings with federal and provincial officials in charge of licensing. That is worrisome. It is very interesting why he would receive a 50 per cent equity in a company in which he did not invest any cash, if there was not some valuable emphasis placed on the type of assistance he would be providing in this regard.

When we take this and equate it with the rather interesting situation involved in this other company, there may or may not be a pattern emerging here. I would like the government, in connection with its study of conflicts of interest, green papers, and proposed legislation, to consider this particular item. In due course I would appreciate having a bit more information on Senator Davey's equity, his present position in Hydroculture Luwasa Canada, Ltd., and also whether there may be other shareholders, who are in a prominent position in the government service or elsewhere, who ought to reconsider their positions with respect to the type of business this company is doing or proposes to do with the Government of Canada.

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I am answering on behalf of the minister and of the Parliamentary Secretary to the

Minister of Agriculture (Mr. Pelletier). I must apologize to you, Mr. Speaker, and to members for arriving late; but I understood that there was Royal Assent involved and there might be a couple of extra minutes.

I should like to begin by noting to the hon. member for Central Nova (Mr. MacKay), that I am not familiar with the company whose name seems to be Hydroculture, if I understood him correctly. Because no reference was made to that particular corporate name, I am not prepared to give him any details. However, I am prepared to answer a question posed on June 10 by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), which was pursued on June 13 by the hon. member for Central Nova. I see a nod from the hon. member opposite, so I will give him the details I have from the Department of Agriculture. They relate to the press reports of Senator Davey's interest in Blue Water Racing Associates Ltd.

While the hon. member did not identify any particular press article, Blue Water Racing Associates is a properly incorporated private company, established under the Canada Corporations Act. That company applied for 23 racing dates in 1974 and the application was denied because incorporation documents were not complete at that time and the facilities were not suitable for winter racing. At that time there was no indication that Senator Davey was involved with the company.

In 1975 Blue Water Racing Associates Ltd. applied for 91 racing dates. Nineteen days were approved. The first racing date was held on May 20, 1975. On or about May 15, 1975, the company submitted a standard departmental form disclosing that Senator Davey and York Sports Investments owned more than 10 per cent of the voting rights attached to all equity shares of the associates. The department understands that Senator Davey actually has 50 of 100 shares of Blue Water Racing Associates Ltd. that were issued at that time, which appeared to meet an Ontario Racing Commission requirement that Senator Davey own 50 per cent of the company before they would issue a license.

● (1810)

Senator Davey has had discussion with Mr. S. B. Pratt, the former chief supervisor, who retired in June of 1975, and the present chief supervisor, Mr. B. Toews, and Senator Davey made no representation to them in his capacity of a Senator. Discussions were on the operational aspects of race tracks, which is a normal occurrence. Discussions respecting dates were also held with Mr. L. J. Cassina, president of the company.

CONFLICT OF INTEREST—KNOWLEDGE OF MINISTER OF AGRICULTURE OF SENATOR DAVEY'S INTEREST IN BLUE WATER RACING ASSOCIATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I appreciate the limited information given by the parliamentary secretary answering on behalf of the Minister of Agriculture (Mr. Whelan). The parliamentary secretary has attempted to answer these questions according to the technical information available to them.

There are some very fundamental questions raised by virtue of the interest which Senator Davey apparently has in Blue Water Racing Associates Ltd. The whole question arises because of the relationship which Blue Water Racing Associates necessarily has to the Department of Agriculture.

At the time I originally raised this question, I wanted to find out precisely the knowledge of the department and of departmental officials with respect to Senator Davey's interest in this company. The parliamentary secretary indicated that Senator Davey did in fact disclose that he owned 50 per cent of this company which had dealings with the federal government. He confirmed that not only did he have a contact with the official dealing with parimutuel matters, racing matters and racing dates, Mr. S. B. Pratt, but also with his successor in office.

The reason I asked about the knowledge was because of the rather peculiar corporate structure in which there was no apparent reference to Senator Davey on the face of the corporate document. It is reported that Senator Davey did it on the advice of the lawyers, but his involvement in the company in question was through another corporation and his name did not appear.

Also, if the department was going to be dealing with these companies, in view of the relationship between Senator Davey and the Prime Minister (Mr. Trudeau), as a close confidant, adviser, and Liberal campaign director, I would have thought the Department of Agriculture would have inquired as to what kind of consideration was paid by Senator Davey with respect to his interest in this company running racing dates in Canada, whether it was in fact, as alleged in press reports, a consideration for him for making representation for licensing and similar kinds of activities which would involve his name and where his influence in these events would be beneficial to the company, and whether or not he received any compensation other than for that particular service to the company.

The point I tried to make in the course of my remarks is that Senator Davey is a powerful man in relation to the Government of Canada, more powerful than most of the ministers in cabinet. The Prime Minister listens to him more than to the ministers in his cabinet.

If Senator Keith Davey does not disclose the fact that he is using a senatorial office, still the fact that he identifies himself as Senator Keith Davey will make any person in any federal department in this country stand up and take notice that a very powerful man is interested in whether or not a departmental official will meet with representatives of this company and in whether or not the company receives satisfactory treatment.

The only response I got from the minister, unfortunately, was that somehow it was all right because the company apparently lost $70,000 in one year. That is a peculiar attitude for the minister to take, to slough off the issue by making this reference. In other words, according to the minister it is all right if somebody knocks over a little old lady or steals a

dime—he is an honest man; but if a man robs a bank and takes a lot of money, this is considered to be a dishonest act.

The other point is that in terms of a man of substantial means, I suggest that the tax laws might be of some benefit to him. It is not enough that the Senate of Canada now contains, by virtue of the appointments of the Prime Minister, enough Liberal campaign organizers paid from the public purse, but we now have another instance of Senators involved in companies doing business with the Government of Canada. What are the government's guidelines on this? Will the government allow this to carry on without any restriction?

We already have the case brought to the attention of the House by the hon. member for Central Nova (Mr. MacKay) with respect to the Sky Shops situation. The first appointment the Prime Minister made to the Senate of Canada was that of Senator Giguère, and where is he now? I ask you, Sir, is this a pattern that is unfolding? Are we finding that friends of the Liberal party are now in the Senate at public expense and receiving that free ride, while they go out and campaign for the Liberal party, and are also involved in companies doing business with government departments? I think that is a conflict of interest situation to which I referred in my question to the Minister of Agriculture when I raised it on June 10.

I think the government owes us, as members of parliament, some explanation of the guidelines that it proposes to recommend to parliament on the kinds of activities the government feels Liberal Senators should engage in with respect to companies that do business with the Government of Canada. This raises the whole question of possible conflict of interest, and I think the minister does not do us any service by trying to slough off this question or joke it off. No one is laughing about this matter. According to the minister, it is not what you know but who you know that counts, because you lose a little money in one year.

We expect the fullest possible explanation of the number of occasions on which representations were made by Senator Davey. I have asked for this information; it is not yet forthcoming. I and my colleague, the hon. member for Central Nova, would like to know what other involvements Senator Davey has in other companies, who of the confidants and friends of the Prime Minister is involved in these companies, what exactly is happening so far as government contacts are concerned and government connections with companies in which Senators appointed by the Prime Minister are involved.

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the hon. member asked at least a dozen different questions and I do not know if I can answer them all in the time I am given.

First, he intimated that the Senator did not disclose his interests, which is not correct at all. Senator Davey did disclose his interests in a most official way on May 15 when that company made application for racing dates. He has contacted the Department of Agriculture, but the senior people whom I named in my earlier answer indicated that no representations were made as to the Senator's role in the Senate.

With respect to York Sports, the hon. member suggests that the Senator's name did not appear. That is not correct. It appeared on the application form; it was quite open. As to the price paid for the senator's interest in that company, perhaps that is a matter for further questions if the hon. member wishes to pursue this. It is getting a little deep for this type of questioning.

I happened to be in the House when the question was asked of the Minister of Agriculture (Mr. Whelan) and I can say that he did not slough it off. He gave the answer in which he indicated that the information he had was that the company had lost $70,000, and he undertook to give an answer, which I am giving tonight.

As to doing business with the government, this is becoming a massive problem. It is almost impossible these days to avoid running into regulations, federal, provincial or municipal. The question becomes whether, in the face of various regulations of Crown agencies and departments, members of parliament and Senators are expected to have no business interests whatsoever. I am not making any comment on the validity or otherwise of that. I am simply saying that our regulated lifestyle is becoming such that it is hard to avoid bumping into some level of government somewhere.

● (1820)

I remember very recently in the case of the department of which I was parliamentary secretary that that department purchased an airplane for the use of the RCMP from a member of parliament. That can be said to be doing business with the Government of Canada. I think we could get to the stage where we could find some fault or issue of morality in that type of transaction, and then all of us will have to live in some kind of state that is not natural to the human being.

Again, I do not indicate that the greatest of care is not necessary. It certainly is, and I am not commenting on the issue raised by the hon. member. I am simply trying to answer some of the observations made with respect to conflicts of interest, in some measure because I used to be the chairman of the committee responsible for the green paper. I have given the hon. member as much information as I can. If he wants to pursue his questions, I would be glad to co-operate in every way.

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Ethier): I do now leave the chair until eight o'clock tonight.

At 6.23 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

PETITION TO END CONTROLS ON JUNE 30, 1977

The House resumed consideration of the motion of Mr. Stevens:

That the Anti-Inflation Act being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada 1974-75-76 shall expire on the 30th day of June, 1977.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I mentioned that I should like to talk about the resolution in four perspectives, the first with regard to the program itself.

Obviously the best way to consider the program is to cast it against the backdrop of the experience that Canada was going through in the late summer and fall of 1975 when it was first put into effect. While at that time some of the costs, which over the previous two years we and other world economies had been absorbing, had peaked and we had seen some reductions, the atmosphere in Canada was one of expectation of ever-increasing inflation. There were those who were seeking price or income increases not just to recover the percentage increase in the consumer price index in the previous period but in many cases to anticipate even further rates of inflation which they expected to come. It was an atmosphere of a certain kind of envy, of competitive claims based as much on comparison with the percentage increases of others as on actual need.

The inflation rate at that time was 10.6 per cent, the rate of settlements in the first year was an annual rate of 20 per cent, and unit labour costs were at 15.2 per cent. The initial claims of collective bargaining in the last weeks of September and in early October were in the skyrocketing 50 to 60 per cent range. The consensus discussions which had been carried on in the previous winter and spring by my predecessor and other colleagues with some of the major economic decision makers in Canada had disclosed the difficulty of obtaining voluntary agreements to restrain against inflationary increases.

The major groups which had been consulted evidenced a substantial distrust of voluntary restraint and, in particular, a certain suspicion that even if they restrained themselves some of the other major groups might not agree.

Under the circumstances it was clear that only a mandatory program imposing legal restraints on the great economic powers—large firms, major union groups, the public sector, professionals—could bring about a restraint on the frenzy of the inflationary spiral then under way.

I think it is fair to say that the program has succeeded in reducing the spiral of expectation. Early in the program it was clear that certain commodities such as food, energy or imported goods could not be effectively controlled. The United States had attempted to control food in their program and it only brought about higher prices and diminution of supply.

It was recognized that certain economic factors, such as the change in the external value of the Canadian dollar, or interest rates, could not be controlled. Subject to these limitations we set out to restrain the powerful in the community, and it can be said that the program succeeded in doing that. The rate of inflation has come down from 10.6 per cent to 6.2 per cent in October, 1976. Using the same index—not switching the index as the hon. member might—it came down to a current rate of 7.6 per cent. Aided by reductions in food prices at first, and the food price reduction was important and significant, the rate of price increase has come down.

• (2010)

It is fair to point out in connection with food prices that 60 per cent of the cost of the food going through to the consumer at the retail level is made up of the cost of processing, packaging, transporting and retailing, and the anti-inflation program was effective in restraining those cost increases so that the real cuts in prices were passed along to consumers. Food prices have risen again, principally because of shortages arising from crop conditions abroad, but we have some reason to hope that, with favourable conditions in Canada, some of these increases will be reversed.

The critical element to be understood, both in relation to the program and in relation to inflation generally in the years to come, is that not all elements of the cost-price chain can be subjected to control. Real cost increases in some commodities are unavoidable, commodities such as energy, or food when it is in short supply, or, as the hon. member for Oshawa-Whitby (Mr. Broadbent) mentioned this afternoon, imports, these being all cases in which the community has no choice but to meet the higher costs. But we can modify our own wage and salary increases, or modify, in the case of the business sector, the additional claims for profit.

Mr. Clarke: But that does not apply to the government.

Mr. Macdonald (Rosedale): The program has not meant hardship for the working man; I think this is an important element to underline. For example, average wage rates increased in 1976 at the rate of 10 per cent, and the consumer price index through that year increased at a rate of 6.5 per cent; therefore, there were real increases for the average working man of between 3 per cent and 4 per cent in the year. Hence the moderation in the cost of living has yielded real benefits for the community as a whole. But it must be understood at the same time that some factors, for example the increase in food prices, will mean additional costs for the community. I do not think we can undertake to assure the community that they can enjoy all the benefits of a drop in costs, for example the drop in food prices to a certain extent, and at the same time be cushioned against any increases which might take place. There are going to be flows and ebbs in

take-home pay. But the critical thing is to maintain a reasonable balance over a period of time with respect to costs people will have to meet.

I now come to the question of prices. There has been a significant drop in the rate of increase, particularly on the non-food side of price increases. For many firms market conditions have operated to hold down price increases, but for other firms the restraint on profits and profit margins has provided a check.

Close to 300 firms must notify the Anti-Inflation Board in advance of their intention to increase prices, and the results of this process give one indication of future consumer price performance. In 1976, for example, pre-notified price increases averaged 6.8 per cent. In the first four months of this year the rate was 4.1 per cent, and in April alone it was down to 3 per cent. The fact is, we are bringing costs under control in Canada.

Unit labour costs, as I mentioned before, increased in 1975 at an annual rate of 15.2 per cent. First year wage settlements, after increasing by 20 per cent in 1975, had dropped progressively, to 9.9 per cent by the fourth quarter of last year, and to 8.8 per cent by the first quarter of 1977. Month by month the compensation plans filed with the Anti-Inflation Board have moved closer to the anti-inflation guidelines, an indication of acceptance and compliance by workers and employers.

The strike record in Canada now is vastly better than it has been in recent years. In January and February of this current year, the number of man-days lost nationally through labour disputes was 70 per cent below the number lost in the same months of 1976. More agreements are being signed by employers and unions without the need of arbitration or mediation. I think some credit is due to both sides of the bargaining table for the sense of responsibility which has activated the trends I indicated in those figures.

One industry in particular deserves credit, the construction industry. I refer now to an article which appeared in the *Financial Times* under the byline of Mr. Clayton Sinclair, who refers to the fact that in the construction industry there has been a dramatic drop in wage increases. He wrote, and I quote:

> Construction industry wage settlements, for years the bane of inflation fighters, are rolling in this spring at levels so low management and even some government officials find them hard to believe . . .
>
> This year, instead of getting 17 per cent pay increases as they did back in 1975, 200,000 tradesmen and labourers who have been negotiating in Ontario and farther west since early April will wind up, according to reports from the Anti-Inflation Board, with something closer to 7 per cent—fringe benefits included.
>
> More than 250 contracts covering the bulk of organized construction workers in British Columbia, Ontario and on the Prairies opened this spring. By last week close to 85 per cent had either been renewed or were awaiting ratification.

He gave some examples, and perhaps I may be forgiven for being parochial in quoting the following example:

> Ontario's workforce is now settling for increases worth 90 cents an hour or close to 7 per cent after signing two years ago for raises worth $3.50 an hour. In Toronto, plumbers who were getting $13.66 hourly settled for $14.56 when their agreement was signed last month.

Clearly, there is evidence of a new sense of responsibility on both sides of the bargaining table, a responsibility which has been effective as well at the national leadership level, both on the business and labour side.

I have mentioned some of the immediate benefits of a lower rate of inflation in Canada and the impact on our industrial costs.

One of the points which has been made, validly I think, is this: while controls have provided a temporary relief, if they are to be of long-lasting value they have to bring about some substantial change, perhaps of a structural nature, perhaps of a psychological nature. In any event, there must be some change in the approach which all those involved in economic decision-making bring to bear on the decisions they have to take.

I suppose the question is, what was changed as a result of the 20-month experience? I think the leaders of the big battalions at least have learned something from the experience. I think they have learned, for example, that notwithstanding their claims as economic decision-makers to be able to make some decisions and pass them freely on to the public, the public remains very skeptical. Indeed, the fact that many ordinary Canadians have a great deal of hesitation about the government taking off controls reflects their skepticism. Nor do they have enormous confidence that their leaders' decisions will necessarily be in the best interests of all.

We have had in Canada the phenomenon of rising popularity of the controls program, especially on the part of those who do not now have collective power. This fact shows up in the polls, it shows up in the personal contacts I have, and I know it is showing up in the contacts my colleagues have had as well in their own constituencies and throughout the country.

Mr. Clarke: Not many of you are back there. Is that not correct?

Mr. Macdonald (Rosedale): I never made any secret of the fact that I, for one, never greatly favoured the controls program from the start. Therefore one of the difficulties is that of persuading this particular constituency within Canada, which is a substantial one, that in the long-run interests of the economy controls do have to come off, that we cannot cling to the protective blanket of the anti-inflation program, but that we must find some way to bring the controls program to an end in a way which will not bring about a fresh outburst of inflation.

Mr. Stevens: Let's do it.

Mr. Macdonald (Rosedale): Mr. Speaker, who wants an early end to controls?

Mr. Stevens: Everybody.

Mr. Macdonald (Rosedale): I think one can say, from one's experience of talking to the public, that there is scarcely a general demand for that. For example, among provincial governments—

Mr. Fraser: What is the right thing to do—do what the mob wants, or what should be done?

• (2020)

Mr. Macdonald (Rosedale): If the hon. member for Vancouver South (Mr. Fraser) has anything to say, perhaps he will take part in the debate. I listened attentively to his colleague and I trust he will do the same while I speak.

What of the provinces? Where do they stand? Of the ten, seven favour continuation for most of 1977, and one of these, the province of British Columbia from which the hon. member for Vancouver South comes, wants us to keep the program on until the expiry of the legislation in 1978. Take a look at my own province of Ontario.

Mr. Baker (Grenville-Carleton): That is three.

Mr. Macdonald (Rosedale): Seven. Take a look at Ontario under a Conservative government where there was recently an opportunity to test the feelings of the community at the polls. One would think that if there were a widespread demand for removal of the controls this would have been a primary issue for either the government or for the opposition parties. For example, I am confident that had Mr. Stephen Lewis felt that continuation of controls was a great social injustice this would have been one of the cannons in his campaign and we would have heard a great deal about it. But this was not the case. None of the party leaders raised this as a campaign issue—recognition on their part that the public was very wary about any proposal to end the controls program. While all three leaders addressed themselves firmly to the questions of job creation and economic expansion in the province, and talked a good deal about obstacles in the way of expansion of employment opportunities, not one of them suggested, as was done in the House this afternoon, that the removal of the controls program would in any way enhance job opportunities in Ontario. Obviously, it was not an issue in the campaign, because studies have shown—

Mr. Fraser: Your job is not to do what the polls say but to decide what is the best thing to be done.

Mr. Macdonald (Rosedale): Oh, that empty head is rattling again.

Indeed, widespread acceptance and support are something of an embarrassment. The political problem is not to take them off but rather to persuade constituents that it is in their interests in the long run that they be removed. Of all the possible arguments for ending controls, that of popular demand is not one.

An hon. Member: What about a federal election?

Mr. Macdonald (Rosedale): I would point out to the hon. member that he had one and he was wiped out.

Let us turn, now, to the next question, the question of decontrol itself. There are really two principal choices involved. The first is the immediate and simultaneous withdrawal of controls, the so-called "lights out" method set out in the green paper. The second choice is the phased withdrawal of controls. That choice, called the third option, is outlined in some detail in the green paper.

The government favours the second approach, for two reasons. First, it avoids the risk of a sudden and simultaneous outburst of price and income increases, or at least it minimizes that risk to the extent it can be minimized—what the hon. member for Edmonton West (Mr. Lambert) called the "springback"—when controls are lifted as people seek to recover some part of their loss of income. Second, it would make for increased fairness as between different bargaining groups. If the House were to accept this motion on Monday evening, the situation would be that controls would have been applied to those who had voluntarily complied with the guidelines and stayed within them, while those who had held out against controls, those who had not supported the program, those who had delayed collective bargaining or failed to enter into an agreement, would benefit by the fact that controls had come off.

One thing is clear. Whatever method is chosen for decontrol, we would invite both unfairness and a wage-price explosion unless we deal with the problem of unamended agreements under the anti-inflation program. Let me explain. In the course of the program many collective agreements have been reached at rates of interest substantially higher than the anti-inflation guidelines. Some of these increases have been rolled back by recommendation of the Anti-Inflation Board. Others have been reduced by order of the Administrator. As long as the controls are in force, compensation is being paid to employees at the rates established by the Board or by the Administrator. However, many of the contracts have not actually been rewritten to reflect rulings by the Anti-Inflation Board or by the Administrator, and still provide for the rates originally negotiated.

There is some uncertainty about the legal situation once the controls are removed and the agreements cease to be subject to mandatory restraint. Employees might be able to demand as a matter of right that their compensation be increased to the levels provided by the letter of unamended contracts. Employers might be legally obliged to pay the negotiated rates. in addition, employees might be able to make up their so-called past losses, that is, the difference between the negotiated rates and the allowable rates for the period during which their agreements were under controls. Obviously this situation would be highly unfair to those who have complied with the program by negotiating agreements within the guidelines in the first place or who amended their contracts to conform with the rulings. Furthermore, if these agreements were allowed to stand and if the negotiated rates were paid, the consequences for the economy could be serious.

With "lights out" decontrol there could be a large, immediate jump in wages, combined with big lump-sum payments immediately following the decontrols date. This could at once place severe pressure on prices and drive up inflationary expectations as other groups sought instant catch-up. Down

the road, it would cost the economy a lot of jobs. Even if a phased decontrol were adopted, pressure would mount steadily and much of the benefit of the program would be seen to be thrown away. A substantial number of large increases over time would still provide a powerful demonstration effect to other groups.

To provide for greater certainty with the approach of decontrol, the government has therefore decided to propose amendments to the Anti-Inflation Act to deem these agreements to be amended in line with the AIB recommendation or order of the Administrator. An amending bill would be introduced to deal with this. In the same way, the law will make sure that profit restraints imposed, for example, by excess revenue orders, will be effective.

Mr. Gillies: Would the hon. member permit a question?

Mr. Macdonald (Rosedale): No, Mr. Speaker. I do not have unlimited time. I think I should be able to make my speech without interruption.

Some hon. Members: Oh!

Mr. Macdonald (Rosedale): One important question which has been put to me and to other members of the government is this: what are we seeking in our discussions with representatives of the various interest groups in this country? While the leaders of the Canadian Labour Congress and of employer groups in Canada have said they will advocate restraint—

Mr. Fraser: They have not!

Mr. Macdonald (Rosedale): —can we be sure that their counsel will be followed? There are obvious limitations existing on both sides. The leaders of the CLC, for example, speak only for their own membership, and the congress does not purport to represent the whole of Canadian labour. Representatives of business are quick to point out that they can speak only for their own companies and that, while they are prepared to advocate restraint, they cannot be sure that others will follow. We shall be seeking further assurance as to the active advocacy of policies of restraint we can expect from these groups.

● (2030)

As well we are seeking from these groups a commitment to their participation in the two institutional changes we have proposed in the white paper, in the Agenda for Co-operation. We have proposed these two institutions, a consultative forum and a monitoring agency, and it is critical that they both have the support of business and labour in Canada.

Will they participate? In light of the experience with the Economic Council, will they even attend? I do not think we know yet. Although we have made the green paper available for their examination and study of these particular questions, we have no clear indication at the moment that they are prepared to participate in these organizations. We have put the questions to them and, if they are not prepared to participate in this kind of consultation as such, what changes or what methods would they propose to try to achieve better restraint in the post-controls period? This is obviously a role to be defined in consultation with the group. We have been seeking a meeting just as soon as they are ready for the purpose of talking on this question, and once we have had their reaction it will fall back on the government to make a final decision as to the date and the method of decontrol.

On the question of the forum, I should like to turn for a moment from purely Canadian sources to an international report, one that I can recommend to hon. members. It is the recent report of the secretary of the OECD entitled "Toward Full Employment and Price Stability". It is a penetrating examination of the problems of economic management in a modern economy and is prepared by a group of independent experts under the leadership of Mr. Paul McCracken, former chairman of the United States council of economic advisers. I should just like to quote briefly a section from the heart of that report:

> We support the idea that governments should discuss regularly with the organizations representing business and labour the general evolution of prices and wages which should be aimed at over the coming year or so, consistant with achieving or maintaining high employment levels.

The report goes on:

> Five years ago, it was understandable that representatives of business and labour might take it for granted that governments had it in their power to ensure high levels of sales and employment. They may well have felt that the warnings against the dire consequences of irresponsible behaviour on their part need not be taken seriously. All this has now changed.

I have spoken of the consultative forum. I will make reference only to the monitoring agency briefly because the agency and its function are fully described in the Agenda for Co-Operation. Its function is to follow economic developments, to comment on specific price or wage changes which could have an adverse impact on inflation in Canada, and to comment as well on trends in the economy which would have the same direction. It would be an agency which is consistent with the free choice option which we have taken in the post-controls period. Its responsibility would be limited to requiring information from the major economic decision makers and to public reporting. It would not have responsibility for mandatory control of either prices or wages.

This is a concept that has been not unknown to us in this country in the last several years. I refer by way of comparison to the Estey commission which examined the steel industry and steel prices in Canada, or to the better known work of the food prices review commission which examined the food industry in the same context.

With respect to the consultative forum, I stress two of the underlying objectives. There are really two elements involved in it. There is the concept of responsibility and that of co-operation.

Responsibility assumes that the private sector will have freedom to come to decisions, but that in doing so there is the expectation that it will take into account the wider impact in the community and the longer term impact on either the union or the company in question if a reasonable balance is upset in economic decision making.

Co-operation assumes a substantial departure from the atmosphere of adversary negotiation in the private sector or from arm's length dealing between the parties. It assumes that there will be a meeting at which the economic aspirations of each particular group can be represented, the group being either union members or shareholders. It will also be assumed that it is not inconsistent with looking after the interests of a particular group that it should meet with others in the community, and that the wider objectives of the community should be taken into account.

Both institutions which are proposed are intended to provide better information in regard to trends in the economy and an understanding of those trends, and also better communication between the major decision makers.

Finally, I turn to comments made by other members in this debate. In addition to the remarks of the hon. member for York-Simcoe we have the advantage of the speech made by the Leader of the Opposition (Mr. Clark) in Montreal last week end. I think it is fair to characterize their approach to this particular motion as being that we should bring about an end to controls in the form in which they exist at the present time, but that they should be re-established, albeit for a brief period, in some other form.

I think the shortcomings that I find with that proposal would be both administrative and legal. There is also some question whether the proposed reinstallation of controls, as set out by the Leader of the Opposition last weekend, could be effective.

One of the elements that I did find rather puzzling was the notion in both statements that the Department of Consumer and Corporate Affairs should become the recipient of these activities. Indeed, the hon. member for York-Simcoe said this afternoon that some of the activities of that department would have to be discontinued so that the staff in the department could attend to the monitoring procedures which are now carried out by the Anti-Inflation Board.

Mr. Stevens: Not true.

Mr. Macdonald (Rosedale): Well, that is what the hon. gentleman said.

Mr. Stevens: No; you were not listening.

Mr. Macdonald (Rosedale): One would have to ask which of the activities of the Department of Consumer and Corporate Affairs would the hon. member cut out. Would it be surveillance over false advertising? Or would it be better and safer labelling on consumer products? Or it could be—and perhaps this is not too far away—easing up on competition and combines investigation. We do not know exactly what activities in consumer and corporate affairs would be eased off; but what we do know is that the task being undertaken by the Anti-Inflation Board would be discontinued suddenly, that the data that the board has and the experience that the board staff have would not be available, or would only be available over time, to the new group, and that there would not be an effective carry-over of administration.

One interesting comment made by the hon. member for York-Simcoe was that the cabinet was to have responsibility in certain cases for rolling back either settlements or wage increases which, after monitoring by the Department of Consumer and Corporate Affairs, are found to be beyond acceptable limits, though we do not know from the hon. member what the acceptable limits are.

I think one would have to ask the question: by what law would cabinet roll back wages or price arrangements which were beyond those standards? Not by this law. As a result of adopting this motion, this law would cease to be effective in restraining price and income increases in Canada. One can even raise the question: if you wanted to get back into this parliament under those particular circumstances, how would you get back jurisdiction over the private sector which, in normal circumstances, is a provincial responsibility?

Mr. Fraser: Amend the bill.

Mr. Macdonald (Rosedale): The hon. member has obviously forgotten that the Supreme Court of Canada has set very narrow limits on Parliament to—

Mr. Fraser: That is your problem. You did not put in a declaration which was effective.

Mr. Macdonald (Rosedale): The hon. member says that that is my problem if their proposal is not workable. I must say that that is not a very bright comment, but nevertheless it was the comment of the hon. member for Vancouver South (Mr. Fraser).

Mr. Fraser: I practised law longer than you did.

Mr. Macdonald (Rosedale): The hon. member for York-Simcoe, however, introduced a very interesting concept. He said that controls will just be in the background, that the ultimate weapon would be held just in behind, and that we could expect controls to come again. That is a very interesting suggestion. The gentlemen who at this moment are inviting us to take off the controls program are saying that it should be kept back as the ultimate weapon. We know what that is like. President Carter had some experience with that during the election campaign. The prospect of having an ultimate weapon in the background is that there are anticipatory wage and price increases. There was a very kind suggestion from the hon. member for York-Simcoe in that regard.

● (2040)

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): There was a very, very interesting suggestion from the hon. members, who were so indignant at the suggestions of the Prime Minister (Mr. Trudeau) from time to time, that we may have to look at controls continuing beyond the beginning of this coming year.

The hon. member for Oshawa-Whitby provided a broader philosophical base as far as approach is concerned. He will not be surprised if I say that I do not share common ground with him with respect to that philosophical background.

Mr. Stevens: You are both socialists.

Mr. Macdonald (Rosedale): I do not share common ground with him with respect to the comment that the free market is an inferior mechanism for effectively allocating benefits in our community and that some kind of a national incomes policy is a more effective method for improving the affairs of Canadians. I respect the fact he may have those different views, but I do not share them with him. This is the hon. member who has been insisting, since the beginning of the program, on free collective bargaining. He told us this afternoon that he and his party would favour a centralized bureaucracy in Ottawa setting a national incomes policy for Canadians. Whatever happened to free collective bargaining which he talked about so much? Whatever happened to the free choice of individual unions and locals for people to negotiate the levels of their incomes?

The hon. member said that there should be a substantial central planning mechanism in Canada. This is not a new concept for him and his colleagues. I disagree with that. It is all very well for him to cite the example of Sweden; but in a federal state what role do provincial governments have in a national planning mechanism founded here in Ottawa and run by the federal bureaucracy? I disagreed with this particular approach to the post-control period. It is a socialist approach, but I have to disagree.

I also have to disagree with the stand taken by the hon. Leader of the Opposition and his colleagues to take off this particular program of controls. This program has substantially public support in Canada. From the figures which I have cited, the program has had a substantial effect in reducing inflation. They want to put in place some kind of vague, ill-defined system of controls for six or 12 months for which there may not be any legislative base. May I suggest to hon. members that that kind of invitation should be turned down, and I look forward to your support in voting with me on Monday night against the proposition which has been put forward.

The Acting Speaker (Mr. Ethier): The hon. member for Halifax (Mr. Stanfield).

Some hon. Members: Hear, hear!

Mr. McKenzie: Now we will hear the truth.

Hon. Robert L. Stanfield (Halifax): Part of it, anyway.

Mr. Speaker, when I listened to the minister defending income and price controls this afternoon and this evening, and when I contrast what he has been saying with the sorts of things he said through 1973 and 1974, as well as the things which his leader said, a rather rough old saying came to mind which I will not use.

Mr. Knowles (Winnipeg North Centre): Please do.

Mr. Stanfield: Let me simply say that it has often been said that nobody is as fervent as the converted. The minister and all his gang were bitterly opposed to even a short term control. After hearing him tonight, it is quite apparent that he may be in favour of even quite long term controls.

Some hon. Members: Hear, hear!

Mr. Stanfield: Before interrupting the conversation of the minister and his parliamentary secretary, I should like to refer briefly to some comments made this afternoon by the Leader of the New Democratic Party (Mr. Broadbent). He said the Prime Minister (Mr. Trudeau) had introduced the program I had advocated in 1974. I should just like to make it very clear that that is not so.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is not so, particularly in terms of the duration of the program. The Leader of the New Democratic Party referred to the rough justice involved in even a short-term program of controls, and I agree. A program of 18 to 20 months does involve a lot of injustice. I felt strongly that the inevitable injustice involved in that kind of a program was a much better choice than the kind of injustice being perpetrated on millions of Canadians every day by rapid inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: In other words, the inflation, and the theft which was taking place through inflation back in 1974, were rougher justice than a short-term program of controls.

The Leader of the New Democratic Party also spoke of planning. I do not share his confidence in the wisdom of government planners.

Some hon. Members: Hear, hear!

Mr. Stanfield: He spoke of Sweden and West Germany. There may well be things to be learned from them. When comparing what has been going on in those countries with what has been going on and might go on here, it is important to bear in mind something which the Leader of the New Democratic Party did not mention, and that is the vast difference which exists in the organization of labour and the organization of business in Sweden and West Germany as compared to Canada. In those countries it is possible to have indicative planning indicating what the economy is likely to do during the year and what is most appropriate. You have every available structure, and they are structures to make decisions involving commitments by labour and by business. The Minister of Finance (Mr. Macdonald) has been skating around that here tonight, and that is the root of the problem. He is very busy carrying on a conversation right now.

Mr. Baker (Grenville-Carleton): He does not care.

Mr. Stanfield: I am sure he is involved in a very interesting conversation and a very urgent conversation.

Mr. Hnatyshyn: He does not have any royal jelly.

Mr. Stanfield: However, that is his problem and that is the problem of anyone talking about a post-control policy. The minister can read *Hansard* if he does not want to listen to me tonight, but I should like to indicate to him that it is very difficult to take him and the government seriously on this question of controls or post-controls in view of the contradictory positions and comments made by the Prime Minister over a period of years.

It is generally accepted by everyone that price and income controls can work at best for only a short time. Some deny that they work even for a short time. The minister mentioned the McCracken Committee. As I understand it, that committee, working in connection with the Organization for Economic Co-operation and Development, recommended that controls should be used only in emergencies, for short terms and not for long terms. What the minister really believes about the duration of controls was not apparent in what he said tonight. What the Prime Minister believes, nobody knows if he even knows himself. Prior to 1975, especially during the election campaign of 1974, he insisted time after time, as did the present Minister of Finance and his colleagues, that controls, even for a short term, had been proven everywhere to be failures. Indeed the Prime Minister, for some reason best known to himself, went to my native town of Truro where he described, and I quote, "controls as a disaster looking for a place to happen".

● (2050)

I do not know why prominent Liberals choose Truro to make silly, categorical, unqualified declarations—

Some hon. Members: Hear, hear!

Mr. Stanfield: —which they dishonour within a matter of a few months. The former minister of finance made a pilgrimage to that town and said some very categorical things which he disavowed very quickly. Is there something about my home town that drives Grits like the Prime Minister and Mr. Turner berserk? As far as I know, the present Minister of Finance has not made a fool of himself in Truro. He seems to prefer Toronto.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is pretty well agreed by virtually everybody, except the Prime Minister and possibly the Minister of Finance, that the longer controls remain in place, the greater distortions they create, the more they interfere with the evolution of our economy, the more they get in the way of the natural development of our economy, the rougher becomes the justice, and the greater become the injustices these controls create. During the last election campaign and before that I thought this was the Prime Minister's view. I thought it was the view of the Minister of Finance as well.

I know I do not have too much time to take hon. members back through history. However, they will remember that period during the last election, the epoch of the anti-profiteering bill. That was to be the solution to the problems of inflation.

An hon. Member: Where is it now?

Mr. Stanfield: It is not only proper to ask where it is, but where is the minister responsible.

Some hon. Members: Hear, hear!

Mr. Stanfield: Judging from what the Prime Minister is saying and the answers he is giving to questions, he believes that controls are not only appropriate but possible for quite a long period of time. Obviously he believes in them very strongly. He is a very strong convert to controls. For a while the Prime Minister seemed so enamoured with controls that he favoured some permanent apparatus, some permanent intervention in the economy. I am thinking in terms of Christmas, 1975. He got such a reaction from that that he backed away from it, at least verbally.

Who knows what the Prime Minister really believes on this subject? I do not mean any disrespect to the Minister of Finance, but even if I knew his views on this question I would not pay too much attention to them because the views of the Prime Minister will prevail. The former minister of consumer and corporate affairs had some views and we know what happened to him. The immediate predecessor to the Minister of Finance had some views, and we know whose views ultimately prevailed.

I ask myself again, what does the Prime Minister now believe about the role of controls? He said in an interview with *Le Monde* recently, a very distinguished daily in France, that it would be foolish to remove controls until after an election. The right hon. member has never explained the significance of this mysterious new economic doctrine. I am sure he did not get that idea from Galbraith. You would have to describe it as some kind of post-Galbraithian school.

When the Prime Minister was asked in the House by the hon. member for York-Simcoe (Mr. Stevens) what he meant by that, he chose not to answer the question. Instead he chose to say it would be foolish to remove controls until there is agreement among the principal decision makers to exercise restraint. He said he wanted the firmest possible agreement from these people to exercise voluntary restraint. That answer shows the height of the Prime Minister's cynicism on that subject.

Some hon. Members: Hear, hear!

Mr. Stanfield: It might be possible to develop a more ludicrous concept than agreement to exercise voluntary restraint, but one would have to work pretty hard to do it.

A few days later the Minister of Finance, in response to questioning, admitted that it might not be possible to reach such an agreement with the principal decision makers, whoever they are, and a decision to lift controls might have to be made without a firm commitment from the principal decision makers. We all heard the minister tonight. Where do we stand

now? Are we really waiting for such an agreement, or is it possible the Minister of Finance or the government will go ahead with decontrol in the absence of such an agreement if they cannot get it? The Minister of Finance certainly did not clarify that tonight.

Did you hear the nature of the commitment the Minister of Finance is demanding from these principal decision makers? If they cannot commit themselves to restraint, whatever that may happen to mean, they will at least commit themselves to urge other people to be restrained.

Some hon. Members: Hear, hear!

Mr. Stanfield: I want to be fair to the hon. gentleman. I do not blame him for trying to fudge this thing, sending up as much fog as he can, because I do not think that he knows the views of the Prime Minister. I suspect that if the Minister of Finance had his own way these controls would come off, and come off quickly. He probably has some conception of the complexity of this economy and the damage controls are starting to do in Canada.

The Prime Minister, and I say this without offence, has a very strong authoritarian streak. He gives me the impression that he is damn well going to push capital, management and labour in line. He is going to make them behave the way he thinks they ought to behave. That is his position, really tough; unless of course it turns out to be politically expedient to do otherwise.

Some hon. Members: Hear, hear!

Mr. Stanfield: Hence all the twisting, turning, and double-talk. I might as well be frank. I distrust the Prime Minister very fundamentally, particularly on this subject. He was dishonest in imposing controls. I expected him to be dishonest about removing controls, and I find that is exactly what is happening. Who can have any confidence in what this government will do on this subject?

● (2100)

Then there is the question of the timing of the decontrols. The Prime Minister emphasized this a couple of weeks ago when he was explaining his election stand back in 1974. There is no perfect time for decontrol. This time is as good as any time that the government is likely to have for the purposes of decontrol. There is a slack in the economy, and if the government sits back for reasons of its own and waits until the economic pick up comes along, as the government hopes it will, decontrol will become more and more difficult to achieve because of the prospect of a post-control inflationary bulge. In the meantime, of course, the existence of the controls will deter the pick up in the economy.

Lifting controls now with the safeguards of the sort described by my leader and by the hon. member for York-Simcoe will lead to little significant bulging. That would occur anyway and, as the minister admits, it will be probably in the area of food and certainly in the area of energy and contracts which were rolled back for the period of controls, but not modified, or it is not certain they were modified. The hon. member for York-Simcoe suggested this afternoon how they can be handled, and I judge from what the minister said this evening that he is about to introduce an amendment to do exactly that. So they will not constitute a problem. That problem can be dealt with and there is no need to keep the economy under control for a substantial period to deal with that problem.

In my judgment, price and income controls should be preserved only for those situations in which they are useful, such as emergencies. We had one back in 1973 and 1974 and if, as a general system of controls, even the much less perfect one which I had proposed had been adopted in that period, it would have headed off much of the trouble which our economy has experienced and much of the difficulty that the Minister of Finance and the Canadian people are so concerned about today.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government would not act then for purely political reasons, just as it introduced controls in 1975 for purely political reasons. The government introduced controls in 1975 when the horse was just about all the way out of the door. The only thing they were able to catch was his tail.

The minister talks about the success of the program to date. I can argue about that. Some of my colleagues will argue about that. In my opinion that is not the issue in this motion. To me the issue is whether the controls should stay on or come off. However, I cannot help quoting the minister. There are a couple of things he said in the Committee on Finance, Trade and Economic Affairs on May 26, 1977. He said:

> . . . indeed prices have been held down as much by the competitive factor as by the anti-inflation program.

Mr. Macdonald (Rosedale): I said that again here.

Mr. Stanfield: I listened very carefully to the minister and he did not say that.

At the same meeting of the committee he said:

> May I correct that? It was more by competitive factors than by the anti-inflation program.

Some hon. Members: Oh, oh!

Mr. Stanfield: I have limited time and I am not interested in arguing to what extent the policy and the program have been successful thus far. I am concerned about the future. What I do insist on is what I insisted on in 1973, 1974 and 1975, that is, that a policy of controls play a role for only a short time. I think I have been consistent and, if I may say so with my usual modesty, I think I have been consistently right on this issue.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): It must be very comforting personally.

Mr. Mazankowski: A lot more comfortable than you are.

Mr. Stanfield: The minister objects to interruptions on his side. Let him heed his own advice.

Mr. Macdonald (Rosedale): Quite right.

Mr. Stanfield: Again we have a double standard being applied.

Mr. Knowles (Winnipeg North Centre): He is listening to you now.

Mr. Stanfield: Throughout 1973, 1974, 1975, 1976 and 1977 the government has been playing games with the people of Canada on this subject, and it is still doing so.

I think controls should be held in reserve to meet future emergencies. I do not object to the government, my own party or some other party, coming back to the House at some point and saying that we need short term controls to deal with a runaway inflationary psychology in this country. I am concerned about other things, that is, that by keeping these controls on the whole approach will become discredited and we will lose a valuable weapon for dealing with emergency inflationary situations.

Canada has serious economic problems today, but they are not problems that price and incomes controls can solve, or aid in solving. There are certain vested interests in the continuation of controls. It is pretty inevitable that this sort of thing will develop. I dare say there are some provincial governments that find it easy to deal with problems of their public servants, for example, or their pay problems, under a national program of controls. It may suit certain captains of industry to have this kind of program continue. It may be more convenient for them in terms of solving some of what they consider to be their labour problems. On the other hand, it may very well be that there are a good many small businessmen who are not controlled and who quite enjoy seeing some other people under controls. That is a pretty common attitude. It is often pleasant to see other people controlled when you are quite free yourself to act according to your own free judgment.

I do not think I am exaggerating when I quote the minister as having said that the real problem with getting rid of controls is to persuade the Canadian people that they should be taken off. I would be quite prepared to admit that if you have controls for a substantial period of time, they are difficult to get rid of. For example, you get more and more people with a vested interest in their continuance. But for the minister to suggest that there is any real problem in getting rid of controls because of the views of the Canadian people is pretty ridiculous.

Some hon. Members: Hear, hear!

Mr. Stanfield: I would think also that the minister might like to expunge some of the guilt on his conscience for his past behaviour, that of his leader and his colleagues, by proposing for once something that they would consider to be in the interests of the people of Canada rather than to their own political advantage.

[Mr. Mazankowski.]

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister is smiling. He does not mind losing debates; it is only elections he minds losing.

• (2110)

Mr. Macdonald (Rosedale): I haven't had any experience at that.

Mr. Baker (Grenville-Carleton): That is coming for you.

Mr. Stanfield: May I just close on this note: this economy is very complex. I do not think anybody understands how complex it is until he finds himself in the position of dealing with something like general tax reform, or in the position Jean-Luc Pepin has been in. I am sure Jean-Luc Pepin fully understands the complexity of this economy. I think perhaps he does have sufficient experience, but I do not think I have heard him advocate the continuance of the controls since he left his position.

We ought not to hobble our economy to make it a little easier for a relatively few people to discharge their responsibilities. It does not impress me very much that some provincial governments, for example, may be advocating the continuation of controls, because I think they have special interests in this situation. It does not impress me that certain captains of industry may be advocating it because they may have special interests too. We ought not to hobble our economy to make it easier, as I said, for a relatively few people to discharge their responsibilities or to permit the Prime Minister to force the economy of this country into a mold of his making. The controls should come off on the terms outlined by my leader and by the hon. member for York-Simcoe.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, so far this has been a fascinating debate. It is indeed an honour to be able to participate in it. In a way it could be said that the prophet from Halifax may always have been right, but it can also be said, after listening carefully to his disciple from York-Simcoe, that his disciple is pretty weak. I will explain later.

I recall very clearly in the question periods and in other circumstances in early 1974 when the hon. member for Don Valley (Mr. Gillies) and the prophet from Halifax were asking this government whether it had any emergency plans vis-à-vis inflation. They asked what the government would do if inflation got out of hand. All that is in *Hansard*, and it can be found in many press reports. The answer from the government was to the effect that, if inflation became an emergency, this government did have plans and would introduce them.

Mr. Fraser: You denied that during the election, Charles.

Mr. Caccia: We never denied that, even during the election.

Mr. Fraser: Basford did in Vancouver.

Mr. Caccia: We did say that if there was an emergency, we would put our plans into effect. The difference between the

Tories and the Liberals was a matter of judgment as to when to bring in controls and as to when they were necessary.

In 1974 we said that we would not fight inflation on the backs of wage and salary earners. That is what the Tories were prepared to do. In 1975 we saw rents and prices getting out of hand. We saw wage settlements of up to 60 per cent and 70 per cent. At that time it was evident that there was an emergency. For the very reasons mentioned by the hon. member for Halifax (Mr. Stanfield) earlier we were reluctant in bringing in controls because we knew, as—the hon. member quite rightly said—that once we were into controls it would be very difficult to come out. I agree with the hon. member on that.

Mr. Fraser: Remember "Zap, you're frozen"?

Mr. Caccia: Let me deal for a moment with the disciple from York-Simcoe and the policy he put to us this afternoon. He said in essence that controls are not working and wondered what would happen after June 30, and so do I. I listened to the hon. member very carefully, and the essence of his speech centered around the typical Tory philosophy that the market place will take care of inflation: on this he is hinging his policy. That is his answer as to what would happen if we were to vote for the motion before us tonight. However, did he tell us what the inflation rate might be if we had not introduced the controls? None of the opposition speakers have addressed themselves to that.

What kind of inflation rate would we have had during the past 20 months or so if controls had not been introduced, despite the distortions in the economy? If we were to remove controls on June 30, what kinds of institutions would the Progressive Conservative party bring in to replace what we have now?

Mr. Stevens: Read the speech.

Mr. Caccia: The Minister of Finance (Mr. Macdonald) has already dealt with this. How many jobs would be created by the removal of controls?

Mr. Stevens: More than you are creating.

Mr. Caccia: We have not heard anything. All we have heard is that so many jobs were created in the past so many months under the controls, but we don't know what the alternative would be if controls were removed. If controls were to be removed, what levels of inflation would we be heading for? It was staggering to me to hear the hon. member for York-Simcoe (Mr. Stevens) suggest that a good reason for removing controls is the explosion in the growth of bank assets. He told us how much they have been growing in the past so many months or so many years, and he told us that this is one of the reasons we should remove controls. The logic of that baffles me.

Mr. Stevens: We'll explain it to you sometime.

Mr. Caccia: Before analyzing other recommendations made by Tory spokesmen let me say that I agree with one thing which was said this afternoon, namely, that professional and executive incomes have not been controlled adequately. On that he was dead on, and I share his view.

However, the first recommendation put forward by the hon. member for York-Simcoe was that the orders of the Anti-Inflation Board should last for the period for which they were proclaimed, beyond June 30. The logic of the hon. member is that we should remove the law but retain the orders. Well, it does not take a legislative genius to realize that once you remove a law, the orders which were proclaimed under that law also go by the wayside.

Mr. Stevens: What do you think the minister is proposing to do?

Mr. Caccia: Certain Anti-Inflation Board orders cannot exist in a vacuum. We cannot have those orders if we remove the legislative powers from which they flow.

Mr. Stevens: You didn't listen to your own minister.

Mr. Caccia: I listened to the hon. member for York-Simcoe, and I am replying to him. If that was not the case, we would not have so many so-called bubble clauses which have been agreed upon in various collective agreements which exist right now. Those clauses would come into force immediately upon the removal of this legislation and the dismantling of the board. That is point number one.

• (2120)

As his second point he would have the Department of Consumer and Corporate Affairs do some kind of monitoring. Unfortunately the department would not have the legislative power to do that if the controls are removed by June 30. Then, the hon. member for York-Simcoe would subject union contracts and collective agreements to a 30-day delay and have cabinet consider them and roll back excessive settlements. If he had wanted to devise a system to tie up cabinet and make it totally impotent he could not have found a better scheme.

The ultimate weapon would be that, having started with a measure enforcing orders by the Anti-Inflation Board, the legislative carpet would then be pulled from under them.

And finally with point number four he offers a return to wage and price controls. He indeed demonstrates how to go around in circles without even trying hard. That is the only way I can describe the effort of the disciple, the hon. member for York-Simcoe. That is the essence of his exercise in policy making in the late 1970's—economics of perhaps 20 or 30 or 50 years ago. What a disaster, Mr. Speaker! I could not believe my ears. The Conservative party missed an opportunity to offer alternatives when, as persons interested in the well-being of this economy, we were looking forward to hearing their alternatives.

Mr. Stevens: Let us hear yours.

Mr. Caccia: Ours may not be perfect and we admit that, but at least it works and has been accepted by Canadians. At least the NDP offered a basic definition of principles typical of that party, although we do not share them. I was puzzled by the idea of a national incomes policy because, as I understand the meaning of the phrase, it would mean interfering with the collective bargaining process and then having to come back to something similar to what is already in place now. In essence it would mean that by June 30 we should do away with something that has proven itself and which we are trying to improve—and replace it with something that requires a fundamental change in our economic and social structures, structures that we are far from having reached, as the hon. member for Halifax said. The alternative put forward by the NDP was a nice exercise in theoretical analysis of what could be done in outer space, but it is something that cannot be done in Canada in 1977 A.D.

I am tempted to think that if the NDP were not so strongly supported by strong organizations they would freely and happily support the policy we now have through the Anti-Inflation Board. This is really a form of economic controls and economic planning that they would otherwise be quite happy to endorse, but which they apparently cannot for reasons of their own.

I have already outlined briefly why we adopted controls and what we said in 1974. It can be claimed that controls have served Canadians well, otherwise they would not have the support of the population which the hon. member for Halifax referred to when he spoke of political convenience on our part. Instead, from our point of view, from the rough beginnings in October and November of 1975 we have come a long way in developing a consensus and acceptance of these measures across the country, when at that time it almost seemed as if we were reaching for the impossible and when we were very unpopular for doing so.

The opposition seems to forget that this government had the courage and determination needed to introduce a measure which it knew would be highly unpopular in the beginning. It was very hot in the kitchen at that time, being criticized here everyday and every weekend in the riding, but 20 months later we are reaping the benefits of that approach.

It seems to me that we should not end controls at this point. They were introduced because we had an emergency in inflation. When inflation hovers around 6 per cent or 7 per cent and is accompanied by high levels of unemployment, the emergency continues to exist as long as we have high levels of unemployment. There is therefore good reason for continuing the controls, not only until the end of 1978 but beyond that if unemployment remains high.

It begins to be quite clear that inflation at the rate we know it is standing in the way of the creation of new jobs and the reduction of unemployment. There is a link between the two—a necessity to bring down inflation in order to bring down unemployment. Anyone in this House who urges the government to do something about unemployment but who does not support its policies to bring down inflation is forgetting this essential link in the economic conditions of the seventies which are different from the economic conditions and symptoms of previous years.

.I would urge the Anti-Inflation Board to be more conscious of fees and executive salaries, however. This is an area in which we seem to have failed, at least partially, to exert the controls that have been exerted on other sectors of the population. The Anti-Inflation Board must do a better job in this area.

I also think we must have a program of income support for the low income earners. They get the short end of the stick and are more intensely affected in inflationary times. There are the groups that suffer during a prolonged period of inflation both in rural Canada and the industrial areas. An income support program would help them make ends meet.

Controls are a measure that result from a new set of economic conditions in the world, not only in Canada. We see the controls as a bridge to a new approach to the solution of economic problems. We are searching for the answers and, in doing so, have put in place this policy which will provide us with breathing space and permit us to devise the new levers we shall need to deal with a new economic order.

● (2130)

The Conservatives will continue to speak of our free market place, and God bless them for it! That is the kind of dinosaur approach we shall gladly leave with them. I say to them, have a good trip. So long as the Conservatives believe in the free market place they will remain in opposition.

As for the NDP, it continues to speak of a fully planned economy. We, as Liberals, believe in a flexible approach. We like to find an answer which comes between those two extremes. Though it may be difficult to find, I am confident that, given time and the opportunity, we shall find it.

The emergency which existed in late 1975 led to the introduction of this program, which has had an impact on inflation. The emergency exists so long as we have high unemployment. How are we to bring down unemployment? We can do it, I suggest, by introducing policies which will lead to a disciplined economy, to confidence in the economy, to a stable economy, and therefore to a climate of confidence which will induce investment in the economy. That is where we differ from the Progressive Conservatives.

We believe that if we have a smoothly working system of controls we will have discipline in the economy, and that entrepreneurs will be ready to expand their operations. They will have confidence in the future of our economy and so will provide the investment we need in order to create new jobs. If we do as the Conservatives say, our future will be uncertain, for no one will know what the inflation rate will be in three months, or six months. If we adopt the kind of scheme the hon. member for York-Simcoe (Mr. Stevens) proposes, we would give the private sector the excuse not to invest and to expand this economy, an expansion we need to create new employment.

We all know the effects of inflation. They make us less competitive with other countries. Therefore inflation endangers our jobs at home and makes us less able to sell our products at home and abroad. Second, inflation shifts purchasing power from low to high income groups. That is why I spoke earlier about the necessity of income support programs, or a guaranteed income for lower income groups such as the Minister of National Health and Welfare (Mr. Lalonde) has advocated in recent years.

If we adopted the proposal of the hon. member for York-Simcoe, within a short time the official opposition would scream about high wage settlements. They would raise hell about it. They would be the first to complain of high wage settlements. As for the NDP, if we do what they suggest, what would happen? They would scream about high profits and high prices. Mr. Speaker, the reaction would come from the other side of the House. The opposition would criticize, and within a short time would ask the government to enact corrective measures.

We Liberals will stand up and vote against this proposal because we want to protect unorganized workers, to protect pensioners and all those not represented by strong groups in society, those who are hardest hit and most devastatingly affected by the evils of inflation. We believe that the government's policy and program, imperfect though they may be because of shortcomings, are by far the better approach, and serve the interests of Canadians better than would the adoption of the proposal the Conservatives have put forward today for debate.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I am glad the hon. member who just resumed his seat intends to vote against the motion. I would not want to be on his side, for I do not agree with his arguments on this important subject.

I wish to lend my support to this motion because I do not believe there is a legitimate reason for retaining controls, with the possible exception of standby controls which may be needed if something unusual happens in the economy. Any value the controls may have had initially is now exhausted. I myself did not feel controls should ever have been instituted, and certainly not in the present situation. We were not at war, as we were in the 1940's. In the war years controls were necessary, I feel, though experience then indicated that disparities and inequities were the result.

There are many reasons for lifting these controls. Some suspect the Prime Minister (Mr. Trudeau) and the government of wanting ever-increasing controls to remain part of our economic and social future. The Prime Minister's statement, in his now famous speech delivered before Christmas, 1975, to the effect that the free market is no longer operating and could not be allowed to function has been received unfavourably almost by everyone. It must have been a severe blow to the Prime Minister when the federal green paper on decontrol said, "It is the wish of most Canadians to maintain and strengthen this mixed economy with the great preponderance of economic decisions taking place within the private sector." That statement was supposed to reassure those who were afraid controls would be made permanent. Nevertheless, many in this country are growing increasingly afraid that the government will so like controls it will keep them in place indefinitely.

Again, the green paper on decontrols had this to say: "The challenges of operating a healthy and stable economy without mandatory controls must be met."

Canada is not only in serious economic difficulty but in serious political difficulty. Yesterday I noticed a newspaper report saying that Mr. Laurin, the Quebec minister in charge of Bill C-1, suggested that even if 23,000 jobs are lost in the province of Quebec, it is the risk the province may just have to take if it is to realize the broader social goals of its language bill. It shows how sincere is the desire for political independence in Quebec, and how sincerely the present government of that province is willing to pursue it.

Once more we confront the serious problem of unemployment. The headlines in yesterday's Montreal *Gazette* note that the jobless gap is growing wider between Quebec and the rest of the nation. One article said 274,000 people in Quebec are without a job now, as compared to 215,000 one year ago. There are in Canada, according to the last statistics published in May, 824,000 Canadians out of work, something like 116,000 more than one year ago—and this despite the substantial numbers of people who have dropped out of the labour force and are not even counted.

According to yesterday's newspaper, Mr. Parizeau, the Quebec minister of finance, said his government will seek a simple and elementary economic association with the rest of Canada if Quebec secedes. He told a group of economists at Fredericton that the Quebec and federal governments are like two boxers dancing round each other in the ring without striking any blow. He is quoted as saying, "We do not know how long this circling will continue but at some point confrontation will appear and, Mr. Speaker, it will not just be politics or your political institutions that will be affected. It will also be our economy and our whole ability to carry on the economic base on which the money services of our country is set." He went on to list some of the great problems at the federal-provincial level which Ottawa causes, because of a lack of consultation. He remarked on the problem of Hydro Quebec trying to set income projections for that utility, and he noted that Ottawa's regional development policies in Quebec have left a general impression of failures. So much for the DREE efforts of Mr. Marchand, who boasted of the many millions of dollars his department had put into areas around his riding.

● (2140)

Then there are the pronouncements of senior civil servants who are getting into the act on what is good for the country. We find Mr. Johnson of the CBC stating that only massive expenditures through the CBC can keep the country together. He wants to make it the principal cultural force in the battle for Canadianism. He is quoted as saying: "I am going to be as fighting, aggressive, bold, loud and as honestly nationalistic as I am capable of being." But his main contentions, if followed,

would mean an enormous increase in the amount of money that the taxpayers spend on their CBC. If anything can be called a failure in Canadian institutions, surely it is the CBC. Are we going to follow this route and further enormously expand a government body that is obviously a failure?

Senior civil servants also seem to be getting into the act in an unprecedented way. Mr. Gordon Robertson, in a memorable speech in Halifax on Canadian unity, has been fashioning a hair shirt for the Anglophones in this country and accusing them of being the cause of Canadian disunity, and Mr. Shoyama has taken to the public media to denounce politicians in Alberta and Quebec for speaking out on the oil issue. These are statements from powerful civil servants such as we have never heard before in our country.

Now for the Minister of Finance (Mr. Macdonald). I do feel a little sorry for him. Mr. McGillivray, writing in the *Gazette* of June 3, said that if the minister quits this year he will have made less of a mark on Canadian fiscal history than any other finance minister since Mr. Nowlan, who didn't even have time to present a budget. Why has he been destined to get a footnote instead of a chapter in the history of Canada? Well, he has had his problems. There is a mood of public pessimism and a loss of confidence in the government. There is a demand for restraint in government spending and we are faced with a huge budget deficit. With unemployment at about 8 per cent and with a huge balance of payments deficit the minister does have his problems. But he seems to have been only a caretaker finance minister, a reluctant dragon acting as a temporary incumbent who has not had the time or opportunity to launch new policies or initiate new strategies. Certainly his role has seemed to be to defend policies rather than make them.

The wage and price controls program has been the policy of the Prime Minister yet it is for this that the time spent by the minister in the finance department will be remembered. It was the Prime Minister who said that controls should stay on until the next election, and the minister stated he was just a simple soldier, implying that he took orders rather than gave them. When the minister goes this year his successor will inherit a $7.2 billion budget deficit, a dismal combination of high unemployment, high inflation, and a bureaucracy which has run out of ideas. It is obvious there are severe constraints on the government's ability to manage the economy and that it is time for changes and for bold action.

And what about the record of inflation? The primary cause of a reduction in inflation has been the reduction in the price of food at the farm gate brought about by bountiful harvests and a readjustment of the commodities markets around the world. The government can take no credit for this and, furthermore, prices of imported goods receded.

There is growing up a widespread feeling that anti-inflation measures tend to favour one group over another. The idea that some can receive much more than others does not sit well with the public. The fact is that more capital investment is leaving Canada than is entering after decades the other way around. Wage and price controls can only be a short term thing, supplementary at best. John K. Galbraith, for example, makes it clear that an income and price policy does not replace a monetary and fiscal policy. He states:

> It supplements it in that part of the modern economy where market control of prices and incomes has given way to private administration and where restraint on aggregate demand brings not lower prices but brings unemployment.

Our own Simon Reisman has stated:

> Controls can provide time in which to re-establish sound monetary and fiscal policies. They establish a political framework in which governments can constrain wage pressures from their own large and growing public service unions.

Milton Friedman states:

> There is no problem about how to stop inflation. We know how to do it. Every economist knows how to do it. I can specify it very simply. The only way to cure inflation is for the government to spend less and print less. The only way to cure inflation is to hold down the growth in the quantity of money. There is no other way to do it. There is no other device which will enable us to slow down inflation. The problem, however, is not how to stop inflation. The problem is to have the political will to do so.

We are faced with a sluggish economy. We are faced with the fact that we can become addicted to controls and use them as a convenient crutch, as an excuse in handling tough business decisions. We have become uncompetitive in world markets in fields in which we have traditionally been effective participants. A continuing control program can only heighten inefficencies and make them even less competitive.

It is now agreed by all, even by those who support controls, that in the long run the retention of controls will seriously reduce the investment necessary to produce the new jobs down the road.

The stock market has not responded to the budget as it should have done, partly because profit margins are being contained by the AIB investment rules. There are many disadvantages to the AIB operations. It has to use rollback power. It has to give the impression that it is controlling wages. But it is very difficult to be fair in all aspects. The long Thompson dispute showed the difficulty of equating increases in wages in the historic wage pattern enjoyed by workers in Thompson as compared to those in Sudbury. The longer the anti-inflation controls remain, the more distorted our economy will become. Mr. Earle McLaughlin, ex president of the Royal Bank of Canada, said in January: "Let the government declare the war won and jettison the entire AIB apparatus, and, the sooner the better."

There is little convincing evidence that prices and costs are very much different now than they would have been in the absence of the control program. Government policy may have helped to sustain economic activity in Canada during the past two or three years but the United States far outpaced Canadian growth in 1976 and probably will have a considerably better economic performance this year. The United States does not have a control program at this time but the recession was much more effective in reducing inflationary expectations than was Canada's anti-inflation program. Consumer prices, including food, rose in 1976 by 9.5 per cent in Canada compared with 6.6 per cent in the United States. Wage settlements rose by about half of the Canadian increases in the past four years. So there is grave doubt as to whether the action of the

government has materially helped to reduce inflation in Canada.

Mr. Speaker, it was our party only which voted against the government on third reading of both Bill C-73 and Bill C-89 and I am happy it has taken advantage of the procedure which provides for this motion to be debated. There has been a significant deterioration in the inflation picture. The consumer price index is rising at a higher rate now than at Christmas, and other price indices show that controls no longer contain inflation. Mr. Turner, the previous finance minister, announced that there was a restraint program in effect since June of 1975, but the main federal spending estimates have increased by 28 per cent. Since that time the narrow measures of money supply increased by 16 per cent while wider measures record increases of 31 per cent; that is M1 and M2. Controls no longer work, and federal restraint is non-existent.

● (2150)

If the federal government and the provincial governments control the money supply in a reasonable way, increases in the public sector will be dampened by the high degree of slack in the economy. This should result in a slowing of wage and price demands and accordingly a lower risk of a renewed wage and price problem. Certainly we need business recovery and business investment, and to ensure this the administration must adopt a proper fiscal stance. There is no doubt about it that the AIB must be regarded as of importance in assessing one's business decisions.

As a professional myself who has had to report to the Anti-Inflation Board, I can vouch for the complexity of the forms that have to be filled out to meet even minimum compliance. They were so complicated I could not even begin to fill them out. It cost $1,000 to fill them out to comply with the so-called protected category. The professionals and self-employed have a so-called ceiling of $2,400 which may be exceeded if there is more productivity—again something very difficult to prove but one which annoys very hard working people who find themselves held to a much smaller rate of increase. This ceiling has created a great deal of unhappiness and a feeling of frustration among working people.

My colleague, the hon. member for York-Simcoe (Mr. Stevens), has put forward suggestions by which our party might establish a reasonable decontrol program and which would, I think, be an improvement on what the green paper has suggested. The Prime Minister has mentioned the need for business and labour to meet and to reach decisions that will decrease the inflation process and deal with price problems. But this consultation process should be much larger than just large labour and large business. It must include consumers and producers and more junior governments, both provincial and municipal. I will not dwell on these suggestions which I think bear merit and might well be incorporated into government measures. But, Mr. Speaker, all will come to naught unless the governments make fundamental changes as compared to what they have done in the past.

Someone has said that since the era of Alexander the Great wars always created inflation. The one thing they have in common is massive intervention in the economy by the government. Up until recent years, inflation occurred in western nations whenever wars existed and it was necessary for governments to take into the economy many hundreds of thousands of soldiers and those who worked in the munitions factories, whether they made guns or swords.

But in recent years in western democracy there has grown up a new phenomenon—the massive transfer of funds to government agencies for our many welfare and socially oriented programs. These programs are obviously very acceptable and do a great deal to alleviate harsh social conditions, but they also seem, when carried to extreme, to be a potent factor for increasing the inflation rate in the economy. The last ten years have seen a massive increase in these social programs as they rush toward maturity. It is probably safe to say that many of these programs were not seen to be expensive when they were put into effect. Introduction of the old age pension and Canada pension along with the rapid increase in inflation made the value of savings extremely doubtful, at least for bonds, trusts, and the usual form of savings instruments.

The government has just recently brought into the House a measure to tax savings in insurance companies. Although the tax may not be retroactive, it already shows how government action can interfere with the long term plans of the individual and erase much of the savings that he might have expected to accrue. On strictly ethical grounds it probably can be justified but it makes reliance on long term savings more doubtful. It becomes obvious to the individual that he cannot plan ahead. If he does, almost certainly the government will change the rules of the game and he will find he is quite severely penalized. The inflation rate increases the doubtful value of savings and hence makes us a consumer group of citizens—better to take a foreign trip than to save money which steadily loses its value. This probably is one of the reasons why our foreign trade deficit in tourism is so high. Therefore the percentage of the GNP which the government takes must be carefully regulated. Obviously, if it takes too much, productivity will decrease because the worker will work less and less.

Recent figures indicate that the government's share of the GNP may have stabilized. It is to be hoped that this is so. I think one of the most important weapons in the fight against inflation is that governments not take more than they have from the GNP. Otherwise we will be in trouble.

There are a good many obvious causes of inflation, but the prime one is government policy and government practices, either directly by spending, borrowing or control of the money supply. There are also myriad government rules on business operations and the cost of complying, as well as indirectly by nudging up pay scales, such as minimum wages, and finally if wages rise faster than the value of goods and services produced.

While I have said that in the past wars took most of our money, today our welfare and social programs are taking up the slack. We are enjoying many of the things we have

promised ourselves such as medicare. These social programs are very good, but when their cost exceeds production it can only aggravate inflation. The most important factor in controlling inflation is obviously control of government expenditure, and it must be controlled at a reasonable rate or the GNP will be exceeded and inflation will result.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Earlier there were discussions with the government House leader and the House leader of the New Democratic Party, and again tonight with the hon. member opposite, with respect to the hours of sitting during the course of this debate on the statutory order, and it has been agreed that on days when the House sits in the evening the debate will end at ten o'clock. I think my colleagues will confirm that.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, that is the understanding we reached, namely, that we would adjourn tonight at ten o'clock and that we will do the same on Monday night.

Mr. Douglas (Bruce-Grey): Mr. Speaker, that is the situation as explained to me by the parliamentary secretary to the House leader, and I am in agreement.

The Acting Speaker (Mr. Ethier): Is it agreed that the House adjourn this debate at ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is agreed and so ordered.

It being ten o'clock this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 2(1).

At 10.01 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Friday, June 17, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

DOMINION DAY

PROPOSAL THAT POLITICAL LEADERS PARTICIPATE IN CELEBRATION—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. One year ago in this House I objected to the cancellation of the festivities on Parliament Hill which normally took place on Dominion Day. In light of the recent recognition by the government of Canada that a display of "flag waving patriotism" is not such a bad idea, and in view of the fact that a vast majority of Canadians want an opportunity to display their love and pride of Canada, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of State responsible for the Dominion Day Parliament Hill activities incorporate in a prominent way the man who refers to himself as the only living Father of Confederation, Joseph R. Smallwood, and the only living former prime minister, the distinguished right hon. member for Prince Albert (Mr. Diefenbaker), and indeed the national leaders of the other political parties so that a national perspective and non-partisan spirit would prevail in the celebration on Parliament Hill in this first decade of our century.

Some hon. Members: Hear, hear!

Mr. Speaker: Presentation of such a motion, pursuant to Standing Order 43, can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

SUGGESTION SOVIET UNION LIVE UP TO TERMS OF HELSINKI AGREEMENT—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise under the provisions of Standing Order 43 seeking unanimous consent on an urgent and pressing matter. In the spirit of the motion moved by the hon. member for Parkdale (Mr. Haidasz), and agreed to by the House unanimously on Wednesday, June 15, in connection with the Belgrade Conference on the Helsinki Final Act, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call on the representatives of Canada at the conference to make it clear to the delegates from the Soviet Union that the people of Canada expect the Soviet Union to live up to the promises made by all the countries which signed the Helsinki Charter, and to permit Soviet citizens who wish to leave that country to do so.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to the provisions of Standing Order 43, presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HEALTH

REASON FOR PERMITTING ALLEGEDLY INADEQUATE MEDICAL DEVICES—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. In view of the statement made by the assistant deputy minister in the Department of National Health and Welfare recently that as a result of faulty testing devices, a large number of the abortion procedures initiated in this country are performed on women who are not in fact pregnant, and in view of the minister's reported characterization of a number of medical devices, such as anaesthetic machines, incubators and heart pacers, as being as inadequate as they were "frightening", I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the Minister of National Health and Welfare make a statement on motions explaining why he has allowed an intolerable threat to the health of Canadians to develop in the form of inadequately regulated medical devices.

Mr. Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

APPROVAL OF ACTION OF GOVERNMENT IN SUPPORTING PRICE OF URANIUM—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, pursuant to the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with a matter of urgent and pressing necessity.

Whereas in the early 1970's the United States government saw fit to close its borders to foreign uranium; and whereas other producing countries, including Canada, could no longer compete for that large market; and whereas it was in the national interest of Canada to maintain a uranium industry for the ongoing health of communities such as Elliot Lake; and whereas United States companies continued to compete aggressively in other world markets during this period; and whereas the Canadian government was a member of a producers group which maintained a base export price; and whereas a committee of the U.S. Congress has, over Canadian objections, released confidential Canadian government documents and is thereby determining what is in the Canadian public interest, I move, seconded by the hon. member for Battleford-Kindersley (Mr. McIsaac):

That this House support the action the Canadian government took in belonging to a producers group which was necessary for the economic survival of the Canadian uranium industry and that the Secretary of State for External Affairs should make a strong official protest to the American government in this matter of extra territorial application of American law in Canada.

Mr. Speaker: Before such a motion can be presented the unanimous consent of the House must be obtained. Is there unanimous consent?

Some hon. Members: Hear, hear!

Some hon. Members: No!

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THE CANADIAN ECONOMY

ENDORSATION OF CITIZENS' RIGHT TO COMPLAIN ABOUT SITUATION—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. My motion is prompted by recent statements by the Minister of Industry, Trade and Commerce (Mr. Chrétien) to the effect that Canadians are a society of bitchers. In the light of the mess Canada is in, with an all-time high of over one million unemployed, record inflation due to excessive printing of money, uncontrolled government spending, a record debt and record borrowing—to name just a few problems caused by the Liberal government, which has proven to be the most irresponsible group of elected officials in Canadian history—and since it is the democractic right of every citizen to complain about such problems, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House endorse the right of every citizen to complain about the disastrous economic state of the nation and that the Minister of Industry, Trade and Commerce publicly apologize to all Canadians for his statement that we are a society of bitchers.

Mr. Chrétien: I just have to listen to you to be convinced!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ATTORNEY GENERAL OF UNITED STATES, MR. GRIFFIN BELL

Mr. Speaker: Before beginning the question period, I know all hon. members will wish to join with me to mark not only the presence of a distinguished visitor, Mr. Griffin Bell, in our gallery but a very auspicious occasion, being the first official visit to Canada of an Attorney General of the United States.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

COMMONWEALTH CONFERENCE—POSSIBILITY COMMERCIAL SANCTIONS AGAINST UGANDA DISCUSSED—GOVERNMENT POSITION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to begin by welcoming back to Canada and the House of Commons the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Clark: I want to say that we on this side of the House are particularly pleased that on the question of Uganda the Prime Minister has now moved toward the position which he and his colleagues rejected in a Standing Order 43 moved by my colleague, the right hon. member for Prince Albert, four months ago tomorrow.

Some hon. Members: Hear, hear!

Mr. Clark: I would like to ask the Prime Minister whether the Commonwealth conference discussed the possibility, in addition to their statement of condemnation, of undertaking commercial sanctions against Uganda.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the question was discussed. In writing the final communiqué a decision was taken not to take any step in that direction. There was not enough preparation of the step and not enough consensus concerning the step.

Mr. Clark: That speaks of the consensus among all the members of the Commonwealth. We would like to know what the position of the government of Canada is on that question. As the Prime Minister knows, the United Nations Security

Council resolutions now in effect call for a complete interdiction of trade against countries such as Rhodesia, except for humanitarian and medical needs. I would like to ask the Prime Minister whether Canada will apply the same kind of economic sanctions against Uganda.

Mr. Trudeau: No doubt, Mr. Speaker, if the United Nations Security Council and the United Nations itself decided to extend the boycott to Uganda as it does to Rhodesia, we would support it.

Mr. Clark: Mr. Speaker, I am pleased to see that the Prime Minister in his absence has lost nothing of the fealty of the Liberal party to the policy of waiting for somebody else to initiate action.

Some hon. Members: Hear, hear!

Mr. Clark: The Minister of Justice waits for the city of Toronto and the province of Quebec to start inquiries that he should start. I would like to ask the Prime Minister whether he will show some leadership here and not wait for other agencies, nations or groups to act, and will tell us now whether the government of Canada, acting on its own, making its own decisions, will apply those kinds of sanctions against Uganda?

Mr. Trudeau: When the hon. member says "those kinds of sanctions against Uganda" I would really like to know what he has in mind. If he wants us to do towards Uganda what we are doing towards Rhodesia, the answer is no, but if the hon. member has a list of countries of whose policies he disapproves and with which he wants us to interrupt commercial relations, I would be happy to have it.

Some hon. Members: Oh, oh!

REASON FOR TREATING UGANDA DIFFERENTLY FROM RHODESIA

Mr. Joe Clark (Leader of the Opposition): What we would like to know, so that we might have some idea as to whether there is any substance or just public relations to what went on in London, is why the government of Canada is going to treat Uganda in a different way from the way it is treating Rhodesia.

Right Hon. P. E. Trudeau (Prime Minister): Very rarely do the nations of the world and the United Nations decide collectively to extend sanctions to one country. They have done this for Rhodesia but for no other country, and that is the reason.

* * *

COMMONWEALTH GAMES

GOVERNMENT POSITION ON BARRING UGANDA AND PRESIDENT AMIN FROM PARTICIPATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to ask the Prime Minister a question about Uganda's participation in the Commonwealth Games. Last week in London the Prime Minister stated that if Idi Amin uses the Ugandan team to glorify his name or his regime, it would be barred from the games. Of course, that ignores the question of how we would tell if the Ugandan team were glorifying the president until it actually arrived on the scene. I want to report to the Prime Minister that while he was away the Secretary of State for External Affairs told the House that it would be highly unlikely that Amin would be invited in any event. There seems to be some equivocation in the position stated by a minister of the Crown, whom I heard whisper to the Prime Minister that he was only expressing a personal opinion. I think this cloud of equivocation should be cleared up. Can the Prime Minister tell the House whether it is the government's intention that Uganda be barred from the Commonwealth Games this year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see the contradiction that the hon. member is pointing out between what the minister said and what I said. If President Amin comes as a weightlifter or a javelin thrower, as a sportsman, then I would consider the matter. However, we do not know that he is a member of any athletic team, and therefore the question is hypothetical.

• (1120)

Mr. Baker (Grenville-Carleton): Mr. Speaker, the Prime Minister knows that Amin is a grand basketball player. Perhaps the hon. member for Hamilton Mountain could be used as the ball. But the Prime Minister did not answer my question. It was a very clear one. Would the Prime Minister tell the House whether it is the intention of the government that Uganda be barred from the games? That is a pretty straightforward question.

While he is dealing with that, would he also be prepared to deal with the statement made by the Ugandan High Commissioner to Canada, who stated that it would be a good idea for Amin to visit Canada. I do not believe the Canadian people would agree with what the High Commissioner said, and I hope the Prime Minister would not agree. Would the Prime Minister make it clear that President Amin is barred from this country?

So there are two questions: What is the intention of the government with respect to barring Uganda from participating in the games, and what is the position of the government with respect to allowing Amin to come into this country?

Mr. Trudeau: Mr. Speaker, I do not know if Uganda plans to send a team of athletes to the games. This is what I answered in London. As far as I can see, the question is hypothetical. If Uganda decides to send a team, including its leader, we will then study the circumstances of that. I would not say in advance that we would automatically bar Uganda. That would very much depend on whether they were planning to come and on the circumstances under which they would come. As far as the leader is concerned, the question is completely hypothetical. There has been no invitation extend-

ed to General Amin to come to Canada, and therefore I do not see what the hon. member wants me to answer. I just remind the hon. member that there are 60 Canadians in Uganda, and we do not want their lives to be jeopardized.

Some hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED APPEAL OF SENTENCE IMPOSED ON THREE POLICEMEN IN QUEBEC

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister on a different subject. In the past the Prime Minister has shown deep and genuine concern about civil liberties and the principle of the rule of law. On June 10 in this House the Minister of Justice said, and I quote: "The police forces of this country, including the RCMP, are as subject to the criminal law of the country as any other citizen". The Minister of Justice went on to say in the same statement in this House on that date that if a violation of the law took place by the RCMP, "the proper action will be taken". Considering that the three policemen, including one senior RCMP officer, who admitted their guilt in taking part in an illegal break-in in Montreal have been given an unconditional pardon, will the Prime Minister request the minister of justice in Quebec to appeal this decision?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will consider the suggestion. I do not know what intention the minister of justice of Quebec has in this regard. I understand he has announced the institution of an inquiry. I do not know if he wants to pursue the judicial matter any further. The hon. member realizes that the administration of justice in this case comes under the jurisdiction of the attorney general of the province of Quebec. However, I will try to find out what his intentions are.

Mr. Broadbent: Mr. Speaker, I appreciate that answer. It is remarkably different in substance and tone from the answer given in the House yesterday by the Minister of Justice. However, considering that the inquiry which has been launched by the government of Quebec into this incident may go on for some weeks, and indeed, some months, considering the very important principle of the rule of law that the same law must be seen to apply to the police forces of Canada as it does to ordinary citizens, and if the inquiry which is now under way produces no early recommendation on this specific decision—let us say in the next couple of weeks—would the Prime Minister undertake, as the leading citizen of Canada, to request the minister of justice of Quebec to appeal this particular decision?

Mr. Trudeau: Mr. Speaker, I will consult with the Minister of Justice on this matter.

[Mr. Trudeau.]

[*Translation*]

FINANCE

REQUEST FOR TARIFF PROTECTION FOR BROILER CHICKENS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Finance.

Since I gave him notice of my question, I hope that he will be in a position to give me a clear answer. In view of the fact that a press release from the office of the Minister of Agriculture mentions that the cabinet has approved as a matter of policy a marketing board for broiler chickens, and since the setting up of such a board is a rather long process, could the minister assure the poultry producers that steps will be taken to protect them against massive imports until that board is set up and fully operational?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I thank the hon. member again for giving me notice of his question. I had the opportunity to discuss this matter with the officials and I believe that, according to the procedure to be followed, the Minister of Agriculture will be consulting his provincial counterparts about a marketing system. After having obtained the consent of provincial governments for setting up such a system, he will report to cabinet, and then, in co-operation with the Minister of Industry, Trade and Commerce, it will be possible to implement the provisions of the exports and imports legislation in order to regulate the international poultry trade. As for the time required, in reply to the question put by the hon. member a few days ago, I would say that this depends on the progress of the consultations with provincial governments.

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[*English*]

EXTERNAL AFFAIRS

CANADIAN POSITION ON CARTEL ARRANGEMENTS TO SUPPORT COMMODITY PRICES

Mr. James Gillies (Don Valley): Mr. Speaker, my question to the Secretary of State for External Affairs arises out of reports emanating from Washington of alleged operations in Canada of a cartel to fix uranium prices. First of all, may I ask the minister if it is part of our foreign policy to believe in and support commodity agreements such as OPEC and others; second, have we made it clear to all our trading partners that Canada was in favour of commodity agreements as a way of supporting world prices; third, was this made specifically clear at the UNCTAD conference with Third World countries where I understand they were very much in favour of commodity agreements but Canada took the position that we were not in favour of these cartels and finally, have the negotiators for Canada at GATT been instructed to make very clear to other countries that Canada does in fact believe in cartel arrangements to support commodity prices?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, there were about five questions in one

there. On the specifics of the uranium arrangement, I would ask Your Honour to permit my colleague the Minister of Energy, Mines and Resources to reply. On the question of commodity agreements I think the Canadian position, briefly stated, although there are of course many additional comments that I could make, is that we have said we are not opposed in principle to commodity arrangements; indeed, at the north-south conference we indicated support in principle, as did most developed countries. We have said, however, that this must be considered on a commodity by commodity basis and that it should involve both supplying and consuming countries. I will be glad to give the text of the Canadian position to the hon. member. Perhaps Your Honour might allow the Minister of Energy, Mines and Resources to reply on the uranium question.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there were two specific points I think the hon. member was concerned about. He mentioned the question of secrecy; there was no secrecy with respect to the producers' group arrangement at all. This was made clear right from the start. The second point which I think is important is that Canada, given the circumstances—and I think the hon. member should understand that when 70 per cent of the world market is closed to Canadian producers and others, action has to be taken to protect Canadian industries and Canadian jobs. We tried to get a producer and consumer arrangement but unfortunately we were not able to get consumers alongside at that time so the arrangement became a producers' arrangement. Subsequently, that is to say in 1975, it was possible to disband the producers' arrangement and substituted a producer-consumer dialogue through the formation of the Uranium Institute. The Canadian position, which has always been to have producers and consumers part of these arrangements, has now been brought around again through the formation of the Uranium Institute.

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● (1130)

COMBINES

GOVERNMENT POLICY ON CARTELS

Mr. James Gillies (Don Valley): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs? Is it the government's policy to have two laws applying to cartel arrangements, one law saying that cartels are appropriate if the Canadian government has a participatory interest in a firm involved in the cartel, another saying cartels are not in the public interest if the Canadian government does not have a participatory interest?

Mr. Fraser: Yes or no.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is not my normal practice to comment on how the director of combines may interpret the law, whether he may commence an investigation in any case or whether such investigation is in progress. I shall neither confirm nor deny the existence of any investigation in this particular case.

Mr. Clark: It is a question of policy.

Mr. Abbott: I assure the House that the director has been following the situation closely for evidence of violation of the act, including any indication that the Canadian consumer has been adversely affected by the cartel arrangement which I understand was designed to exclude price fixing in the Canadian market.

With respect to the effect of the cartel on foreign customers and our country's image abroad, the cartel arrangement was implemented to hold the uranium industry over a particularly difficult period, and I am pleased that the government withdrew its support of the arrangement as soon as possible, shortly after prices began to rise in 1974.

Mr. Gillies: Mr. Speaker, a final supplementary question to the Minister of Consumer and Corporate Affairs. I am not remotely interested in whether the director of the program is making an investigation. My question is specific and I wonder if the minister could direct his mind to it.

Mr. Clark: It is a question of policy.

Mr. Gillies: My question is, what is the policy of the government? Is it the policy of the federal government of Canada to allow cartels to be formed when the government has a participatory interest in one of the organizations, but not to allow the formation of cartels if there is no governmental participation? It is a simple question of policy and has nothing to do with an investigation.

Mr. Clark: Do you have a piece of paper on that, Tony?

Mr. Abbott: No, I do not have a piece of paper on that, Mr. Speaker. I simply say, the law is there, and it is the duty of the director to investigate and inquire under the law. Beyond that I shall not comment on what government policy might be.

Mr. Clark: Do you know.

Mr. Abbott: It would be quite outside my jurisdiction to do so.

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY URANIUM CARTEL CONTRIBUTING FACTOR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I direct my supplementary question to the Minister of Finance. Since the minister has made many statements concerning OPEC-type pricing as being one cause of inflation, does he feel that the cartel with respect to uranium to which we are referring was possibly another cause of inflation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I point out to the hon. gentleman that the arrangement in this case was to provide for the protection of a significant Canadian industry which was operating at that point below the costs of production, principally because of the misguided actions of the United States government. I think one can say accurately that uranium utilities and therefore consumers in Canada, the United States and elsewhere have been protected from inflation by keeping the additional Canadian production in uranium in force through the difficult years of the early 1970's. In this respect I think one of the best prospects we have for protecting ourselves against further OPEC-type increases lies in having further uranium production.

Mr. Gillies: In other words, another OPEC arrangement.

Mr. Macdonald (Rosedale): I point out to the hon. member for Don Valley that at all times the government of Canada made it clear that consuming and producing countries should participate in this and that the United States in particular could have participated if it had not been following such an exclusionary policy itself.

REASON FOR ALLEGED ATTEMPT TO KEEP URANIUM PRICING ARRANGEMENT SECRET

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Since the minister last night on national television seemed to take great exception to the fact that a friendly nation, as he called it, would allow these types of facts to be revealed, and in view of the answer he gave just now, would he say why he feels it is so desirable to keep this type of agreement or, as the Minister of Energy, Mines and Resources calls it, producers club secret? Why did he feel it so desirable to keep it secret?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it was far from being kept secret, for, as the Minister of Energy, Mines and Resources said, press releases were issued at the particular time announcing the formation of the arrangement. The objection I raised on television last night was that the United States would seek to apply its laws in Canada, against the laws of the government of Canada, and I do not regard that as a friendly act.

INQUIRY WHETHER OPEC COUNTRIES TOOK URANIUM PRICING ARRANGEMENT AS PRECEDENT

Mr. Sinclair Stevens (York-Simcoe): A final supplementary question, Mr. Speaker.

Mr. Hees: Big brother is listening.

Mr. Stevens: Since the producers club, as the Minister of Energy, Mines and Resources calls it, was established before the formation of OPEC, will the minister say to what extent he feels the OPEC nations took this as a legitimate precedent they could follow?

[Mr. Stevens.]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I point out to the hon. member that OPEC was formed some seven or eight years before this.

Mr. Stevens: I am talking about the cartels' formation.

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[*Translation*]

HISTORIC SITES

ACCESS TO PLAINS OF ABRAHAM FOR CELEBRATION OF SAINT-JEAN FEAST

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Is it true that the National Battlefields Commission denied access to the Plains of Abraham to those organizations wishing to use the site for the Saint-Jean celebrations. If so, for what reasons, and does he intend to answer the telegram sent by Mrs. Maltais in that connection?

[*English*]

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, the decision to which the hon. member refers was made by the Commission des champs de bataille nationaux, which is an independent body established by an act of parliament. All members of that commission are from Quebec city. I was not aware of the request to use the Plains of Abraham; I was not aware of the decision, nor involved in it in any way. I only learned about it yesterday when it was brought to my attention by the press. Immediately afterwards I sought the reasons from the commission for its refusal. The reasons given to me were that in the past the Société Saint-Jean-Baptiste had co-operated with the Corporation des fêtes de la Saint-Jean and they had put on one celebration together. But this year, for some reason, they had divided and there were two requests, the request of the Saint-Jean-Baptiste Société was granted and they will be given the use of the field. The other request was turned down because there had been many complaints made against the Corporation des fêtes, and also because there was some evidence of unreliability. However, I have asked the commission to re-examine the question and I expect they will do that.

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CONSUMER AFFAIRS

DATE OF ANNOUNCEMENT OF NATIONAL FOOD POLICY— REQUEST FOR TABLING OF BACKGROUND PAPERS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question directed to the Minister of Consumer and Corporate Affairs has to do with the government's announcement last week on food policy. In view of the minister's assertion that the establishment of a national food policy will remain a high government priority, and since the food strategy for Canada, as demonstrated last week, is only in the discussion

stage, in fact there is only a discussion paper on it, when can consumers of Canada expect to have in place a well defined, co-ordinated and comprehensive national food policy? What are the time parameters the minister has in mind for announcing such a comprehensive food policy?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, the announcement was of a food strategy, the outlines of which will be continually filled with ongoing programs. For instance, one of the benefits we hope to provide consumers is improved price information. I am working vigorously to produce such a response to that strategy point, and hope to do it early. We are also following other areas, including a study of various sectors of the food industry, to see that they are competitive and I shall be announcing developments in this regard promptly.

Mr. Grafftey: A supplementary question, Mr. Speaker. I would ask my question again, Mr. Speaker. When can all these ad hoc actions be accomplished and put in place, so that the government can announce at one time a national, comprehensive food policy? In view of the government's quest for public discussion of a national food policy, will the government table the DM-10 draft of a possible national food policy and other relevant discussion material, so that the public can react to concrete suggestions rather than to the vague declarations of last week? Will the minister publish these documents, and when can all these ad hoc programs be put together, in order that the Canadian people can have that comprehensive package?

● (1140)

Mr. Abbott: Mr. Speaker, I do not share the hon. member's view as to the quality of the food strategy paper. The whole purpose of such a broad strategy is that as policies are developed and initiatives are taken, they will fit within the umbrella of this strategy. As to the question of studies related to the preparation, or what the hon. member refers to as DM-10, I do not know what exists in that area but I doubt if it would be very useful to introduce it into the discussion.

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EXTERNAL AFFAIRS

SUGGESTION SOVIET UNION LIVE UP TO COMMITMENTS IN HELSINKI AGREEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the fact that the Soviet Union despite having agreed at Helsinki, along with many other countries, to the principle that citizens should have the right to leave the country in which they live if they so wish, and since the Soviet Union is refusing to issue exit permits to some of its citizens who wish to leave, will Canada's representative at the conference now being held in Belgrade make it clear to the Soviet delegates publicly that the Canadian people hope that the Soviet government will honour the commitments it made at Helsinki with regard to the human rights of its citizens?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have answered this on several previous occasions. I welcome the chance to do it once again. Yes, we will make such representations in the kind of language that the hon. member has used and our delegation has been so instructed. I should, however, re-emphasize for the House a problem which seems to have arisen in terms of understanding what this conference is about. The meetings now underway are for the purpose of setting an agenda for September. There will not be any public declarations or statements. It is an official level meeting designed to set up the planning for the September meeting. At the appropriate time we will make the public declaration.

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DOMINION DAY

PROPOSED PARTICIPATION OF POLITICAL LEADERS IN CELEBRATIONS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is to the Prime Minister. It has to do with the celebrations that will be taking place on Parliament Hill. This will be a welcome reversal from last year when the celebrations were abandoned. Will the Prime Minister tell the House in what way he intends to use the man who considers himself to be the only living Father of Confederation, the Hon. Joseph R. Smallwood, the right hon. member for Prince Albert, a former Prime Minister, and other leaders of the official national parties in those celebrations on Parliament Hill in order to remove any non-partisan spirit and make a clear demonstration of unity and the love that all of us have for this country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know the details of the celebration. We will keep in mind the personalities the hon. member mentioned. We might ask them to start the fireworks. I will see what is being done.

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NORTHERN AFFAIRS

PROPOSAL TO SUBSIDIZE COST OF FOOD IN NORTHERN COMMUNITIES

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It arises out of recent comments made by the Minister of Regional Economic Expansion regarding the high cost of food in the north. Is the minister aware of a resolution that was passed at a consumer workshop in Pangnirtung in March of this year which states, and I quote "Only that food should be subsidized by boat and air rates as liquor now is and the savings passed on in total to the consumer."

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): No, Mr. Speaker. I am not aware of that resolution. It sounds like a very interesting one and I will have it studied.

Mr. Holmes: In view of the fact the government of Canada is responsible for health programs in the north, and in view of the fact that alcohol is recognized as being related to serious health problems in the north, can the minister indicate how the government can justify a cost of over $2 a quart for milk in many communities in the north and yet a bottle of beer can be purchased for less than 50 cents because of government subsidization? Also, will the minister take action to correct that deplorable situation.

Mr. Allmand: Mr. Speaker, it does sound deplorable and I would not want to justify it. I will see what we can do about it.

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[*Translation*]

INDUSTRY

POSSIBILITY OF RESTRICTING IMPORTS OF SHOES TO PREVENT UNEMPLOYMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

In view of the tremendous hardships experienced by the Canadian footwear industry and the fact that an inquiry pointed to imports as one of the major causes of plant shutdowns, since the Anti-Dumping Tribunal is to submit a final report on that matter by September 15 next, and in view of the strong possibility that 1,500 to 2,000 workers will be laid off by the end of July, would the minister be prepared to restrict imports immediately pending the recommendations of the report expected next September?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am extremely concerned about the developments in the footwear industry in Canada. Of course, I am subject to the existing laws of Parliament which restrict my activities. The Anti-Dumping Tribunal is now reviewing the situation in order to determine whether this situation is due to a fair or unfair competition. I asked my officials to conduct a more specific study in order to ascertain if interim restrictions might not be warranted, but I have received no final report as yet regarding that possibility.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary.

In view of the fact that, following its meeting, the Canadian Manufacturers Association made a recommendation to the effect that the department should earmark 60 per cent of the home market for Canadian production, would the minister indicate whether he is prepared to support this recommendation or goal of the Canadian Manufacturers Association so that at least 60 per cent of all products consumed in Canada are manufactured in this country?

[Mr. Holmes.]

Mr. Chrétien: Well, Mr. Speaker, we are presently considering several possibilities, but before asking the Anti-Dumping Commission to investigate the matter, I had discussions on a number of occasions with the Canadian footwear industry and they seem to agree with our decision to ask the Commission to report on this matter as soon as possible and I am keeping a very close look on further developments in this respect. The hon. member's intentions are of course quite commendable, as long as we are sure that the Canadian public will not have to pay too high a price for these protective measures.

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[*English*]

NORTHERN AFFAIRS

DATE OF PUBLICATION OF REGULATIONS FOR OIL AND GAS EXPLORATION IN NORTH

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. It arises out of a news report in the *Globe and Mail*. It appears that after seven long years the government is now prepared to table in this House the rules and regulations concerning oil and gas exploration and development in the north. Will the minister advise whether we will receive that before the end of this session? Also, has he consulted with not only Petro-Can officials but other corporations involved in oil and gas exploration, particularly in the Calgary area?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, certain interim regulations will be tabled by the Minister of Energy, Mines and Resources. Consultations have taken place. Perhaps more details can be given by that minister.

Mr. Woolliams: Mr. Speaker, many on this side of the House have been pressing to find out when these will be tabled. We have been promised this for seven long years. Can the minister state a time limit as to when this will be tabled in the House?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we are still working toward being able to provide them in this session. I cannot be sure we will be able to do so. Anything in the form of new legislation may have to await the next session. Because of that situation, we have been working on a contingency plan. I hope to be able to announce the details of that contingency plan early next week.

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ELECTION EXPENSES ACT

DATE OF INTRODUCTION OF AMENDMENTS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the government House leader. When does the government House leader expect to introduce into the House

an amendment to the legislation affecting the Election Expenses Act?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I understand the hon. member is asking about the Election Expenses Act. I have a draft bill waiting in the wings. Any time the parties of the House are ready to pass it, I will bring it in. I understand the contents have been agreed to by an all-party committee in order not to cause any difficulties.

Mr. Scott: My impression is that cabinet is either making or studying amendments to the Election Expenses Act.

Mr. MacEachen: Mr. Speaker, there are certain amendments that have been recommended by the Chief Electoral Officer. The cabinet on its own has not proposed amendments apart from those that have been proposed by the all-party committee dealing with election expenses, the standing committee and the Chief Electoral Officer.

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● (1150)

ANTI-INFLATION PROGRAM

REQUEST FOR CLARIFICATION OF REFERENCE TO "A FORUM" IN CONNECTION WITH DISCUSSIONS ON RESTRAINT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Finance. It arises out of comments which the minister made in his contribution to the debate last night. As reported at page 6769 of *Hansard* the minister referred to future discussions with—and he used the words "a forum". Is the minister referring to the so-called national forum which was advanced and advocated by his colleague the Minister of Labour and which is not yet established but which again is advocated in the green paper; or is the minister referring to some future discussions with the ad hoc group from the business community and representatives from the Canadian Labour Congress? Would the minister just clarify that?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there will be a meeting, the date of which has not yet been set, with what the hon. member refers to as the ad hoc group, namely the representatives of the Canadian Labour Congress and certain representatives of Canadian business. There will be a meeting within the next several weeks for the purpose of discussing the recommendations of the green paper, the Agenda for Co-Operation. That meeting will take place, I expect, in the near future. One of the purposes of the meeting will be to seek the support of labour and business for the creation of the consultative forum which is referred to at some length in the Agenda for Co-Operation.

DATE OF ANNOUNCEMENT ON DECONTROL

Mr. John A. Fraser (Vancouver South): A supplementary question, Mr. Speaker. Is it the position of the government that as a result of these discussions, which hopefully will take place in a couple of weeks, agreement in principle will be achieved as to the government's proposal for decontrol, and that the government will then—and that means a few weeks from now—clarify the situation so far as its own policy is concerned; or do we have to wait for the establishment of a national forum before the government is going to be able to make up its mind as to the form of decontrol and the date of decontrol?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the answer would be no. I would expect to be able to indicate to the House, if it is sitting, and the country some time in July the timing and method of decontrol.

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POST OFFICE

CALGARY—EFFECT OF REFUSAL TO RENEW SUBSIDY FOR BUS SERVICE FOR EMPLOYEES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General, who will be aware of the relocation of the Calgary plant outside the city limits of Calgary some three years ago, a move which required a subsidy to provide bus service for the employees. Is the Postmaster General aware that Treasury Board is refusing to renew that subsidy after June 30, thereby reducing this bus service for evening and weekend shift workers and creating undue hardships which will further lower employee morale and affect the efficient operation of this plant?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I was not aware of that refusal. I will look at the information which the hon. gentleman has provided, and I take it that his question is in the nature of a representation which I will take very seriously indeed.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Would the minister meet with his colleague, the President of the Treasury Board, to try to get some uniformity of policy in this regard? It is these niggling little issues which have such a devastating effect on the morale of the postal employees.

Mr. Blais: Mr. Speaker, the hon. gentleman is aware that during the mediation over the Christmas period which received wide publicity the question of relocation was brought in issue by the union. It is one that they wanted to have referred over for negotiations, which hopefully will be renewed in the near future if CUPW wants to come back to the negotiating table, and undoubtedly the decision of Treasury Board was involved in the context of having to negotiate relocation and any compensation therefor.

Oral Questions

FUGITIVE OFFENDERS ACT

REASON FOR FAILURE TO INTRODUCE AMENDMENTS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Justice and it relates to statements which the minister made in recent days in which he has made much of the fact that, rather than a national inquiry, the fight against organized crime depended upon passing government legislation. Since improved legislation seems to be the minister's answer to organized crime, I should like to ask the minister why he has not seen fit during his tenure to introduce amendments to the Fugitive Offenders Act, which deals with extradition in Commonwealth countries, since loopholes in the current legislation have in fact enabled one of the so-called five dragons, namely Mr. Hon Kwing Shum, to avoid extradition to this point, as will the others who are found in Canada, if they are?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, we have been working with other Commonwealth countries on the development of a new Fugitives Offenders Act. The drafting is well advanced and I would hope that it would be part of the legislative program for the next session.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. The minister knows that the United Kingdom has had this act in place since 1948. The Fugitive Offenders Act was enacted in 1880. The Commonwealth law conference, in fact, dealt with this matter in 1966 and Canada is the only exception. Can the minister let the House know how he is going to maintain his credibility when he permits legislation to remain without amendment which allows individuals to avoid charges and escape justice, while claiming that organized crime can be fought by amending legislation? The minister stands indicted by his own words.

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INDIAN AFFAIRS

DEMANDS OF MÉTIS AND NON-STATUS INDIANS OF MANITOBA FOR SETTLEMENT OF LAND CLAIMS—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the minister of Indian affairs. Since Manitoba's 100,000 Métis, non-status Indians and other groups have asked the federal government for an incredible $1 billion to settle their land claims and get recognition of their aboriginal rights, has the minister responded to what must be an outrageous request, and what has his reply been to the Manitoba group?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not responsible for Métis and non-status Indians. Their relationship with the federal government is through a joint committee composed of cabinet and the Native Council of Canada, of which the President of the Privy Council is chairman and is their direct contact with the government. Although I am a member of that committee, the President of the Privy Council is the minister responsible for direct relations with them.

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CONSUMER AFFAIRS

POSSIBILITY OF LEGISLATION TO PRESERVE LAND FOR FOOD PRODUCTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and deals with food strategy. Since the Department of Agriculture has stated that we lose about 250 acres of good food growing land every day which cannot be recovered, and that our food deficit if you exclude food grains and oil seeds was about $1.9 billion last year, can the minister tell the House what legislation we can soon expect to preserve food lands for the production of food and increase self-sufficiency in food in Canada?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the hon. member will appreciate, food strategy involves the responsibility of several departments and ministers, and his question certainly has no relevance to my responsibilities.

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ANTI-INFLATION PROGRAM

CONSTITUTIONAL BASIS FOR POST-CONTROL LEGISLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the elimination of controls involves an admission that an emergency no longer exists, which formed the basis for the Supreme Court decision, has the minister given consideration to the constitutional position on which some post-controls legislative sanctions would be based in the period following the ending of controls? What would be the constitutional basis for continuing some form of post-controls intervention in the economy?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, that question has been considered and I would have to acknowledge that it is one of difficulty. The legislative change which I referred to in my statement last evening related to amendment of contracts which are already in existence for the period covered by the controls. Probably I should hesitate to advance a legal opinion to the House, but I think that the hon. gentleman would agree with me that, following the termination of the controls program, it would be very difficult to have any comprehensive legislation. I think that by then possibly the House would have lost the jurisdiction which has been recognized by the Supreme Court.

● (1200)

EXTERNAL AFFAIRS

UGANDA—POSSIBILITY OF CANADIAN INITIATIVE IN IMPOSING ECONOMIC SANCTIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister and it follows the first question by my leader today about the Commonwealth Conference. I should like to ask the Prime Minister if he intends to take any initiatives on the Ugandan situation, and specifically, has he given any instructions to our ambassador in New York and the United Nations to see if that ambassador can develop the consensus about the Ugandan situation so that there will be a situation on economic sanctions against Uganda, comparable to the Rhodesian situation? Does the Prime Minister think he has discharged his commitment to human rights by making a statement in one case with other Commonwealth leaders and yet has taken action in the other case?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must point out to the hon. member that if we were to get any support for the sanctions against Uganda he must realize that we have to have sanctions against South Africa also. This may not be possible to obtain from the present membership of the Security Council. He cannot reasonably argue that there should be sanctions against Uganda for one form of violation of human rights and not against South Africa which we have consistently condemned as being in very severe breach of human rights.

Mr. Clark: What instructions are you giving the ambassador?

Mr. Nowlan: Mr. Speaker, my supplementary is very short and simple. With all the problems connected with trying to develop a consensus for sanctions at any time and since as the Prime Minister said, it only happened once in the United Nations, is the Prime Minister going to take any initiatives in this field?

Mr. Trudeau: Mr. Speaker, the hon. member should realize that when the question of sanctions against South Africa was raised, Canada said that it did not want to go that far. I will discuss it with the Secretary of State for External Affairs, but my first answer would be that we would not want to behave differently for Uganda than we have for South Africa.

Mr. Hnatyshyn: I hear that J.-P. Goyer thinks you should not.

ROUTINE PROCEEDINGS

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MINISTER'S STATEMENT

Hon. Francis Fox (Solicitor General): Mr. Speaker, I shall now make a statement on all circumstances regarding and surrounding the matter popularly known as the APLQ affair in Montreal, as requested by members of the House. I shall try to the best of my knowledge and ability to state all related facts.

As we all know, Mr. Speaker, the court proceedings initiated by the Minister of Justice of Quebec, after the illegal search of the premises occupied by l'Agence de Presse Libre du Québec, le Mouvement pour la défense des prisonniers politiques du Québec and la Coopérative des déménageurs du 1er mai, in October 1972, have now been completed. This illegal search has raised a number of questions in the minds of many people. Questions have been asked, particularly in the House, as to whether the Solicitor General of the time had approved of the search prior to its taking place and, if not, at what point in time this search was brought to his attention or that of his successor and whether appropriate action was taken at that time. Many questions also have been raised about the role of the RCMP Security Service in this matter and about its methods of operation. These questions are legitimate and require clear answers. This is what I propose to do today.

First of all, Mr. Speaker, I cannot stress too highly that in a democratic society like ours, the rule of law is and must be paramount. It is the vital force without which our basic liberties run the risk of becoming empty slogans. No threat to such liberties can justify, in any way, and even with the best of intentions, the use of illegal means to protect these basic rights. Clearly, there can be no compromise in this regard; it is upon this premise that the integrity and survival of our democratic institutions and our fundamental liberties are based. If the law is not adequate to handle such dangers as threaten our liberties and our institutions, then the answer does not lie in breaking the law, but rather in changing it.

[*English*]

During the night of October 6-7, 1972, police officers of the Royal Canadian Mounted Police, acting together with officers of the Sûreté du Québec and la Police de Montréal, carried out a search of the premises occupied by L'Agence de Presse libre du Québec, le Mouvement pour la défense des prisonniers politiques du Québec and la Co-opérative des Déménageurs du 1er mai. Documents were seized on the premises. The carrying out of this search had not received prior authorization by the court and, therefore, was illegal.

On May 26 of this year, the three officers of the RCMP, Sûreté du Québec and la Police de Montréal, respectively, who had authorized this operation, entered a plea of guilty to a charge brought against them under section 115 of the Criminal Code by the authorities of the province of Quebec for

having neglected to obtain a search warrant in connection with the incident that took place on October 6-7, 1972. The police offiers were yesterday granted an absolute discharge by the court.

Neither the RCMP headquarters in Ottawa, nor the commanding officer of C Division in Montreal, nor the solicitor general at the time, the present Minister of Supply and Services (Mr. Goyer), had been told of the search and seizure of documents on the premises occupied by the APLQ prior to the operation being carried out.

Mr. Woolliams: That sounds like Nixon.

Mr. Fox: I do not think Nixon made any statements in the House like we are. The conversations which I have had personally with the present Minister of Supply and Services, the then commissioner of the RCMP, Mr. W. L. Higgitt, and the then director general of the security service, Mr. John Starnes, and the examination of relevant files clearly support these facts. It was only on October 10, 1972, four days later, that C Division of the RCMP in Montreal informed the RCMP headquarters in Ottawa of the search and seizure on the premises of the APLQ.

Following the search and seizure of the documents, the groups affected by these events sent telegrams or letters to a number of people. Thus, on Monday, October 9, 1972, only a few hours after the incident, the APLQ sent a telegram to the assistant commissioner of the RCMP in Montreal, to the director of la Police de Montréal and to the director of the Sûreté du Québec, inquiring if their respective organizations had been responsible for the theft of documents. This telegram asked for an immediate reply. The RCMP did not provide a response to it.

[*Translation*]

On Monday, October 9, 1972, the three groups which had been the subject of the search and seizure, inquired, through letters sent to the Minister of Justice of Quebec and to the Solicitor General of Canada, if the RCMP, the Sûreté du Québec and the Montreal police were involved in the break-in into their premises and the theft of documents. This registered letter, to which was attached a copy of the telegram addressed to the Assistant Commissioner of the RCMP in Montreal, requested that a reply be given before 11 a.m., Friday, October 13, 1972.

On Thursday, October 12, 1972, the Minister of Justice of Quebec, the Hon. Jérôme Choquette, stated publicly that he had been informed that none of the three police forces, the RCMP, the Sûreté du Québec and the Montreal police, had been involved in the break-in and the theft of documents on the premises occupied by the APLQ during the night of 6/7 October, 1972, adding that the appropriate authorities, namely the Montreal police, were investigating the matter. There is nothing in our files to indicate that the Quebec provincial authorities had communicated with the RCMP in Ottawa, or the Solicitor General of Canada or his office, before Mr. Choquette made his statement.

On Friday, October 13, 1972, spokesmen for the three groups that had written to the Solicitor General of Canada and to the Minister of Justice of Quebec held a press conference, during which they indicated they had come to the conclusion that the theft of documents was the result of a police search under the provincial Law 51. These groups took the opportunity to launch an opposition campaign against Law 51, which granted special powers of search to the police, under the control of the Police Commission of Quebec, in the fight against organized crime, terrorism and subversion.

Concerning the letter sent to the Hon. Jean-Pierre Goyer, it was received in the Ministry of the Solicitor General on October 11, 1972, and brought to the attention of the RCMP by the assistant to the minister, Lieutenant Colonel John R. Cameron, in order that a reply could be prepared for the Solicitor General's signature. This was done without the minister being informed. In referring the letter directly to the RCMP for reply, without bringing it to the minister's personal attention first, Lieutenant Colonel Cameron was following the usual practice in handling such letters, addressed to the Solicitor General of Canada. This practice was meant to enable the RCMP to launch an investigation forthwith even if it meant that the letter of inquiry would be brought to the minister's attention at a later date. In fact, letters are, from time to time, addressed to the Solicitor General enquiring or complaining about the conduct of the RCMP or of one of its members in the performance of their duties as the national police force or as provincial police under arrangements that exist in eight Canadian provinces, hence the need for such a system. On October 26, 1972, the RCMP wrote to the minister's assistant, recommending that no acknowledgement be made, without providing the reason for their recommendation.

The Solicitor General of the time remembers having seen the letter of October 9, 1972, at a later date, and having asked the RCMP why they recommended that there be no acknowledgement. The Solicitor General recalls that the RCMP response to his question was that the theft of documents, about which the APLQ had complained, fell under the jurisdiction of the provincial authorities, more particularly, the Minister of Justice of Quebec, and that the Montreal police was investigating the incident. Moreover, the minister considered it hard to believe that the RCMP would have participated in a theft of documents, as the letter of October 9, 1972, had implied. Accordingly, the Minister of Supply and Services (Mr. Goyer), the former Solicitor General, categorically states that he was not informed that the theft of documents was the result of an unlawful entry in which the RCMP had participated.

The Minister of Supply and Services does not recall the exact date upon which the letter of October 9, 1972, was discussed with the RCMP. It would seem, from the agenda of the minister, that the letter would have been discussed with the RCMP on November 6, 1972, just a few days after the federal general election of October 30, 1972. It is at this point that the minister would personally have seen the letter for the first time.

• (1210)

[*English*]

Commissioner Higgitt and Mr. John Starnes also recall having discussed the October 9 letter with the solicitor general on a date they cannot now precisely establish. They state that they do not remember having briefed the solicitor general of the RCMP's participation in the unlawful entry of the APLQ premises. They add that they would be surprised if they had not verbally advised the solicitor general in this regard. The former commissioner and the former director general agree that in most cases information of importance was brought to the minister's attention in writing. Our files and those of the RCMP contain no written report on the unlawful entry to the solicitor general.

The Quebec justice minister's statement of October 12, denying that any of the three police forces were involved in the October 6-7 theft of documents, was obviously not consistent with the facts. The RCMP did not notify the solicitor general of the fact that the Quebec justice minister's statement was erroneous, but left the matter for attention in Quebec, in the knowledge that the police authorities concerned, to wit, la Police de Montréal, had already instituted an investigation into the case. Both the former commissioner and the former director general told me of the good faith that had prompted their decision under the circumstances, convinced that this matter came directly under the police authorities concerned who had instituted an investigation, as they had indicated to the solicitor general.

On November 27, 1972, the hon. member for Dollard (Mr. Goyer) was appointed Minister of Supply and Services and was succeeded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) as solicitor general. The very first time the October, 1972, break-in was brought to the latter's attention was in March, 1976. Further to disclosures by a former RCMP member, who had actually taken part in the unlawful entry, the solicitor general was notified by the commissioner, Mr. Nadon, and the director general of the security service, Mr. Dare, of the participation of the RCMP in the unlawful entry, for the first time, on March 16, 1976. It was the first time, as well, on that same day, that the deputy solicitor general and the assistant deputy solicitor general (police and security) were made aware of the participation of the RCMP in this operation.

The solicitor general immediately made sure that the Quebec authorities were aware of the matter. In actual fact, he was informed that Quebec had already undertaken an inquiry. The Quebec authorities in particular, on April 30, 1976, during a meeting in Ottawa between the solicitor general of Quebec, the Hon. Fernand Lalonde, and the Hon. Warren Allmand were assured of the complete co-operation of the RCMP in the inquiry which they had undertaken. The commissioner of the RCMP himself met with the representative of the solicitor general of Quebec in August of 1976 and provided him with relevant information. I have no reason to think that the co-operation of the RCMP with the Quebec authorities throughout their inquiry was anything but full and complete.

In the days which followed March 16, 1976, the solicitor general of Canada inquired as to the disciplinary action taken by the RCMP after the October 6-7, 1972, operation. Commissioner Nadon then informed the solicitor general that the former director general of the security service had, at the time of the incident, expressed his dissatisfaction to those responsible for the operation and had reprimanded them. The commissioner added that his predecessor, W. L. Higgitt, had not taken any other disciplinary action.

Commissioner Nadon further specified that, since it seemed apparent that the Quebec authorities would shortly institute court proceedings against those responsible for the incident, it would not be advisable to reopen the question of internal discipline at that time. The officer of the RCMP who entered a plea of guilty on May 26, 1977, to the charge brought against him by the Quebec authorities in relation to the October, 1972, incident was, on that same day, suspended from the force.

• (1220)

The former solicitor general undertook in the days immediately following March 16, 1976, to discuss the matter with the Prime Minister (Mr. Trudeau) who was told for the first time of the RCMP participation in the unlawful entry. The government seriously considered the creation of a royal commission of inquiry at that time. The government received, however, repeated and unequivocal assurances from the RCMP that the APLQ incident was exceptional and isolated and that the directives of the RCMP to its members clearly require that all of their actions take place within the law.

It was essential that justice take its normal course. The creation of a royal commission of inquiry would have risked interference in the normal course of the investigation initiated by Quebec and in the prosecutions which could have resulted from them. The right of a possible accused to a fair and just trial could also have been compromised seriously by the work of such a royal commission. The government decided, therefore, not to establish a royal commission, but remained firmly committed to re-examining the matter once the judicial process had run its normal course.

[*Translation*]

Mr. Speaker, we all know what events have followed. The investigation by the Quebec police authorities into the matter led to a pré-enquête before a judge; this pré-enquête resulted in the laying of criminal charges against members of the three police forces involved. In addition, the government of Quebec announced yesterday the setting up of a commission of inquiry. This commission of inquiry into the circumstances of the unlawful entry of October 1972 will specifically inquire into four points:

(a) The closing of the investigation files that had been opened by the Montreal police after the incident;

(b) The different versions which were given in regard to the unlawful entry;

(c) The disposal of the documents that were seized at the time; and

(d) The cooperation extended by the RCMP, the Sûreté du Québec and the Montreal Urban Community police force to the Quebec Department of Justice in the investigation launched after the unlawful operation was made public.

We are assuring Quebec authorities of our cooperation and that of the RCMP in the work of their commission of inquiry, in line with our legal and constitutional responsibilities. Justice is thus following its course. As we have done so far, we intend to continue providing our best cooperation to those responsible for its administration in the province, namely the Quebec Department of Justice. I trust, for my part, that the commission set up by Quebec will shed the light on those aspects of the affair that have been referred to it.

In so far as federal responsibilities are concerned, the information I have given the House today raises a number of questions about the way in which complaints about the conduct of members of the RCMP are handled.

In particular, Mr. Speaker, doubts can arise as to the value of a system of investigating and handling complaints which is exclusively administered by those against who the complaints are made.

On June 6, 1974, the government, on the initiative of my predecessor, set up a commission of inquiry under Judge René Marin to review the whole question of citizen complaints against members of the RCMP and the system of discipline within the force. The Marin Commission reported in January of 1976. As I have already indicated to the House, a number of the commission's recommendations, which did not imply legislative change, have already been implemented. In the fall of this year, I intend to present to Parliament a bill which will deal with many of the recommendations of the commission, particularly those which concern the handling of citizen complaints against the RCMP in an objective and independent manner.

The facts, which I have related today, raise other questions concerning the methods of operation of the RCMP and of the Security Service. Some may ask if illegal entry into premises is a normal or even an exceptional procedure of the RCMP. In the event doubts persist, Mr. Speaker, I repeat what I said earlier: an illegal entry into any premises, whatever the intention or purpose, is completely unacceptable to me and to the government and is not, under any circumstances, to be tolerated. The commitment to this view is one that is shared by the Commissioner of the RCMP and by the Director General of the Security Service and will be the basis upon which any allegations of illegal conduct, either on the part of members of the RCMP, whether of the Security Service or those involved in regular police activities, will be viewed. Members are aware that this is force policy.

[*English*]

Finally, Mr. Speaker—

Mr. Peters: I could tell you that from my own experience with the security staff over here.

[Mr. Fox.]

Mr. Fox: The hon. member opposite is very knowledgeable in that area. Finally, the information I have given the House today will have dispelled, I trust, any doubt that might have arisen regarding the conduct of my predecessors in the matter.

Mr. Clark: Not at all. We would like to have him under oath somewhere.

Some hon. Members: Oh, oh!

An hon. Member: Where is he—with Idi?

Mr. Clark: You had better keep him in Africa.

An hon. Member: The "plumbers" would have had a field day up here.

Mr. Fox: The judicial process, with the unconditional discharges granted by the court yesterday seems, at least for the time being, to have completed its course. The setting up of a commission of inquiry by Quebec will ensure that all relevant aspects of the affair that have been referred to it are examined in an independent fashion.

An hon. Member: Just incredible.

Mr. Fox: The facts and details which I have provided today explain the circumstances of the affair in so far as federal responsibilities are concerned.

An hon. Member: No, they don't.

Mr. Baldwin: Even Idi Amin would not try this.

Mr. Fox: The process of handling the complaints of citizens—certainly in 1972—was not adequate. The legislative changes which I propose to bring before parliament in the fall flowing from the recommendations of the Marin report will bring corrective measures to bear on this process as well as on the system of internal discipline. In addition, I trust that my statement today will have dispelled all possible doubt concerning our commitment to ensure that the operations of the RCMP take place within the constraints of the law.

An hon. Member: You are covering up for Goyer.

Mr. Fox: In addition, the commissioner of the RCMP and the director general of the security service fully recognize the need to bring to my attention, clearly and unequivocally, any breach on the part of their members of the clear directives of the RCMP in that regard. Regarding the conduct of the government, its ministers and the RCMP authorities, I trust, Mr. Speaker, that hon. members will agree with me that the information I have provided today answers adequately the questions that could have arisen in connection with this matter.

Mr. Clark: Not at all.

Mr. Baker (Grenville-Carleton): You are not very happy with it either, "Foxy".

[*Translation*]

Mr. Fox: In a democratic society, Mr. Speaker, it is essential that those on whom, like the RCMP and the Security Service falls the task of enforcing the law and protecting our basic liberties, can count upon the complete support of the people. This support, in return, must be based on the faith that those protecting these rights do themselves feel bound and indeed are bound by our laws in fulfilling their duties.

The RCMP and the Security Service are doing their best in the discharge of responsibilities that rapid social and other changes, both internally and externally, have made increasingly more complex. I dare say that their record thus far ranks as one of the best, both in this country and outside. Obviously, mistakes can be made and indeed are made. The determination of the government and the top management of the RCMP—which I cannot over-emphasize—to deal with these mistakes whenever they arise, with force and vigour, but also with fairness, will ensure, I trust, that despite these mistakes, Canadians will continue to provide the members of our national police force with the respect and support they need in their difficult tasks. Mr. Speaker, I had promised to give facts to the House in answer to the many questions raised these last few weeks and I think my statement fulfilled that commitment towards the House.

● (1230)

[*English*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on behalf of our party I should like to say to the Solicitor General (Mr. Fox) that obviously his very carefully detailed statement contains some good news and some bad news. The good news is that there is a recognition that there have been some serious deficiencies in the way certain aspects of RCMP and ministerial staff work have been carried on. The bad news is that the statement really raises more questions than it answers. In that regard, it would have been helpful if we in the opposition had had a bit more notice of this long and carefully detailed statement. However, without being unfair, in a sense it is characteristic of the way this whole affair has been handled—maximum non-disclosure up to the last minute.

Some hon. Members: Shame.

Mr. MacKay: There is one thing which is very clear, and that is that a great many people do not remember an awful lot of details. These are interesting people. They include the former commissioner, Commissioner Higgitt, John Starnes, and the present Minister of Supply and Services (Mr. Goyer).

There are very many circumstances which are very contradictory on their face. For example, it is stated on page 5 of the minister's statement that there is no written report on the unlawful entry to the solicitor general on file, yet on May 18, 1976, the then solicitor general told the hon. member for Maisonneuve-Rosemont (Mr. Joyal) that he had a complete report from the RCMP in his hands. This report has never been tabled. It would be helpful if it were tabled.

Some hon. Members: Hear, hear!

Mr. MacKay: The Quebec minister of justice has been accused in the minister's statement of saying things which were obviously not consistent with the facts.

Mr. Stanfield: He is expendable.

Mr. MacKay: Apparently he is, but I believe he deserves an opportunity to say something in this regard. I am going to come to that in a little while. There are many contradictions, but of particular concern to me, as someone who is reasonably skeptical—but, I hope, not unfairly so—is the role of Inspector Cobb when he was in the then solicitor general's office. As I understand it, his role and the role of officers like him was to provide some sort of facilitation and communication of important matters of concern to the government and to the RCMP. Here was a man, who has now pleaded guilty for his activities in this very incident, working with the then solicitor general in his own office shortly thereafter, yet apparently there was no communication. That, to me, is incredible. There are many things which simply cry out for explanation, and it is hard to know where to start with this particular statement.

If this matter were not so serious, it could be considered a tragic comedy of errors. The then solicitor general, who is now the Minister of Indian Affairs and Northern Development (Mr. Allmand) and who was under some pressure in this House, claimed that it was in March of 1976, I believe, that this matter was first brought to his attention. The matter was investigated with some vigour after that. Yet I had to report to him in the House some weeks later that there was a man investigating the matter, the man who has now pleaded guilty to burglary. Is that not a very strange set of circumstances? I said at the time that it was a startling departure from investigating techniques. The old adage that you should use a thief to catch a thief must have been used. In any event, this matter is not funny: it is a serious matter, because if handled badly it could impugn one institution which many Canadians regard as their absolute guarantee of law enforcement and integrity, namely, the RCMP.

Some hon. Members: Hear, hear!

Mr. MacKay: This whole matter brings back memories of a rather incredible committee meeting held on Monday, March 17, 1975, when the present Minister of Supply and Services and the present Minister of Indian Affairs and Northern Development, two former solicitors general, flanked by the commissioner of the RCMP, attempted to resolve some very interesting contradictions involving the knowledge of the former solicitor general, now the Minister of Supply and Services, with regard to the Hamilton harbour matter.

This whole thing brings back memories of that matter and raises questions about apparent lack of efficiency, lack of communication and lack of guidance and direction given by ministers responsible for the RCMP. The whole matter is just beyond belief—and here we go again. Five years after a complaint involving a break-in at the premises of a Montreal news agency, the House of Commons finally receives an accounting from our current Solicitor General after a game of

musical chairs which has gone on in the meantime. I think all of us in this House do not hold our colleague, the present Solicitor General, responsible for this. In fact, I would like to go on record as commending the Solicitor General for the way he has discharged the responsibilities of his portfolio.

Some hon. Members: Hear, hear!

Mr. MacKay: Any remarks I make about the office should not be taken personally by him. But I do want to say to him that he knows as well as I do that this is a shocking example of lack of acccountability and efficiency on the part of his predecessors to hold out to the people of Canada.

Some hon. Members: Hear, hear!

Mr. MacKay: The matter has attracted a tremendous amount of attention simply because of this government's failure and obvious reluctance to deal with it as it should have been dealt with in the beginning. Anyone who has perused the questions in *Hansard* over the last year cannot help but see that this matter has been bungled; and there is no way that the government, despite its carefully contrived statement, can convince hon. members of this House or the public of Canada otherwise.

Mr. Woolliams: No wonder Goyer is in Africa.

Mr. MacKay: How can we, as members of the House of Commons, accept an explanation as being reasonable when a solicitor general takes the word of those against whom a complaint was made without checking with the complainant? This was a matter of public knowledge. Telegrams were sent. We now know when the former solicitor general received notice. It was even published by the news agency whose premises were burglarized. That is another thing which should be on the record. If those officers had gone into that news agency without a search warrant and had carried out an illegal search, that would have been operating without a search warrant. However, the way it was done was nothing less than break and entry. It was not simply operating without a search warrant.

Another unfortunate thing and another reason we must have an inquiry is that the explanations given by the Solicitor General, despite the fact that he is a minister of the Crown and we accept his word on these things without reservation, are really hearsay evidence, and the best evidence has got to come from the incumbent of the office at the time.

Some hon. Members: Hear, hear!

Mr. MacKay: Another matter which is worrisome is the obvious disposition of this government, through its solicitors general, to have left not only the primary responsibility but almost the entire responsibility in the hands of Quebec authorities. The government has constantly refused to allow a series of solicitors general to take their responsibilities to the RCMP and to the House of Commons seriously, proposing instead to leave it to the authorities in Quebec. What has the government received for its disposition to do this? The minister had to admit yesterday that he had absolutely no dialogue, no notice and no consultations with his Quebec counterparts as to the fact that they were going to call an inquiry. I think that, again, indicates the need for the Solicitor General and for the government to exercise their responsibility in this matter.

I do not want to go on at length because I realize that the leader of the New Democratic Party wishes to reply, and also that someone from the Creditiste party does as well. However, it is obvious that an inquiry should have been ordered when the then solicitor general, now the Minister of Indian Affairs and Northern Development, found out about this RCMP involvement and about all the circumstances surrounding this illegal break-in. Such an inquiry at the federal level is now absolutely essential, because only such an objective inquiry with terms of reference enabling it to pursue the chain of evidence in the solicitor general's office—not to smear the RCMP—can find out exactly who is responsible for this.

Some hon. Members: Hear, hear!

Mr. MacKay: Only such an inquiry can properly uncover that type of evidence which the public and the members of the House of Commons could be asked to accept as the absolute truth. And we must have nothing less than the absolute truth.

Some hon. Members: Hear, hear!

Mr. MacKay: With the distinguished attorney general from the United States in this House, this would be a good time for the Solicitor General to take the kind of extraordinary initiative which our friends in America took to uncover and to rectify a far more serious situation, but a situation which had some of the elements of what we are seeing here today. Mr. Speaker, I am going to conclude with a quotation that I think sums this matter up. In 1831, Dr. Wolfred Nelson, a political associate of Papineau, said:

● (1240)

The laws must be observed as much by those who govern as by those who are governed.

I think this is the proper note on which to leave this matter, Mr. Speaker.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the questions we are dealing with in the House today are among the most serious that any democratic legislative body can confront at any time. What is at stake in this issue, and what has not been adequately dealt with in the minister's statement, are the following: Do we, or do we not, in Canada act according to the principle of the rule of law? Do we have a situation in Canada in which the national police force, the RCMP, are actively involved in making policy decisions, deciding on their own what is, or is not, in the public interest? Finally, do we have a case of at least one minister who has not only been involved in serious bungling of his responsibilities but quite clearly, from the statement made today, was possibly involved in lying as well. I want to deal with all these matters in the most serious way, Mr. Speaker.

What do we know of the facts that have been brought forward today in the minister's statement? We know that an illegal break-in took place in Montreal on October 6, and that the Montreal detachment of the RCMP was informed on October 9. The RCMP headquarters in Ottawa was informed on October 10. We know that a registered letter outlining the matter was received by the former solicitor general on October 11 which had been sent prior to that. We know that on the following day, October 12, the former minister of justice for the province of Quebec issued a categorical denial of police involvement in this break-in. Finally, we know that the RCMP, in an incredible letter to the former solicitor general dated October 26, said that no acknowledgement should be made to a registered letter which had been sent to him outlining the break-in that had taken place early that month. As far as I can determine, those are all the facts that were asserted and that we can claim to know in this situation.

In dealing with this issue this morning, I want to comment on two aspects only: the role of the RCMP and the questions that have been raised not only about its administrative competence in this matter but, more basically, whether or not it consciously adheres to the principle of the rule of law itself. I want also to deal with the performance of the former solicitor general. I regret that we did not have more time to peruse the statement, Mr. Speaker. As the hon. member for Central Nova (Mr. MacKay) has indicated, we did not receive copies until halfway through the question period.

An hon. Member: The press gallery got it.

Mr. Broadbent: The matter is very complex and there are obviously many other questions that can be raised and which I am sure will be brought to the attention of the minister at another time. I want to turn immediately to the Royal Canadian Mounted Police. In my view, the RCMP have behaved badly. They did not inform the minister, to whom they were responsible, of illegal activity.

Mr. Hnatyshyn: That is what the minister says. You are not sure about that.

Mr. Broadbent: Well, that is my judgment from what the Solicitor General (Mr. Fox) tells us. It may turn out not to be the case, but on the face of the evidence so far I am prepared to accept it. In addressing the matter of a response to the letter that arrived in the minister's office on October 11 outlining the break-in, they recommended that the minister should not even acknowledge the receipt of a letter which, if accurate, points out that the RCMP was involved in a clear and unequivocal violation of the law. According to the statement of the Solicitor General today, this matter was not brought to the attention of the then minister until October 26, and then only indirectly by a letter to an assistant in his office. It was brought to his attention about two weeks after the national headquarters of the RCMP in Ottawa knew all about it. They did not recommend that the minister investigate more thoroughly or take some other specific action, but recommended that he not even acknowledge receipt of the letter sent to him by the group in Montreal which was affected.

We are told that the matter was finally discussed—and this is a very intriguing point—perhaps on November 6. I find it strange that neither the then solicitor general nor the RCMP can confirm the date of such an important meeting. Mr. Goyer apparently indicates that the meeting probably took place on that date, and in his statement today the Solicitor General, if I recall correctly, indicated that the RCMP have no precise date for the meeting. We are told that Commissioner Higgitt does not even recall briefing the then solicitor general on the RCMP involvement in the break-in, but the statement of the Solicitor General today points out that Commissioner Higgitt said he would be "surprised if they had not verbally advised" the then minister of what had taken place. I will come back to that in a minute, Mr. Speaker.

Concerning the lie of the former minister of justice of Quebec, Mr. Choquette—that is what it was, when he denied involvement on October 12 more correctly—it might not be a lie, because he may not have been informed by October 12, but it was an incredible statement to make October 12 if he had not got the necessary information from the police forces involved. But at least, concerning that public denial of police involvement by Mr. Choquette on October 12, according to the minister's statement today, the RCMP, by their own admission, did not even inform the then solicitor general at the time of the November 6 meeting of the events that took place in the break-in. If that is accurate, I think it is a shocking illustration of irresponsibility.

This is truly incredible, Mr. Speaker. At the time of the meeting with the then minister, the RCMP headquarters knew of their own involvement. They knew at that time of Mr. Choquette's statement, and they knew at that time that it was false. Surely, they ought to have said something to the minister. Surely, in terms of their responsibility to a minister of the Crown in the government, they ought to have told the then solicitor general that what Mr. Choquette had told the people of Canada was false, and that the RCMP as well as other police forces had been involved in the illegal break-in.

● (1250)

I have no reason to question the integrity of the present minister. On the whole, up to this point he has behaved admirably, with commendable frankness. Therefore, what he has told us today clearly constitutes, if it is accurate as he thinks it is, a shocking indictment of senior representatives of the RCMP in terms of their responsibility to the minister.

Now I shift my attention to the former solicitor general. The present Solicitor General tells us that Mr. Goyer "appears" to have discussed the October 9 registered letter for the first time on November 6. I repeat, in this context, that I personally find it surprising and disturbing that there was not an accurate record kept in the minister's office of such a clearly important meeting which took place to discuss the possibility of a clear violation of the Criminal Code by the RCMP. Apparently no precise record was kept, according to Mr. Goyer's information

as he provided it to the present minister. The Solicitor General now tells us Mr. Goyer says he was not informed of the break-in by the RCMP at the meeting which took place on November 6. The RCMP, about the same meeting stated that they would be "surprised" if they had not told the minister, at least verbally, about the RCMP's involvement.

All this suggests to me some obvious questions. Having had the October 9 letter brought to his attention, what did Mr. Goyer ask the RCMP at that November 6 meeting? Did he ask explicitly about RCMP involvement in the raid? Did he put the question directly? This is not cleared up in the present minister's statement. Surely, Mr. Speaker, it was his basic obligation to put that question to senior representatives of the RCMP. I, for one, cannot believe the question was not put. And if the answer to the question was in the affirmative, Mr. Goyer should have taken immediate action. If, however, there was a denial, then, to put it bluntly, the RCMP lied because we have it on record that the RCMP in Ottawa by this time clearly knew of their own policemen's involvement. We must learn the precise nature of this conversation, this important meeting which took place between Mr. Goyer and senior representatives of the RCMP. That is elementary.

At that meeting, in discussing the October 26 letter to his assistant recommending that no acknowledgement should be made, surely Mr. Goyer must have asked explicitly about RCMP involvement. I repeat, I cannot conceive of a conversation between two normally intelligent men on such a serious matter in which such a question would not be raised. The conclusion which follows my basic assumption that this question must have been put is as follows: either he was lied to by the RCMP, or he is lying in his report to the minister about what the RCMP told him. Or the third possibility is that Mr. Goyer is so incompetent and so foolish as not to have asked this elementary question—

Mr. Stanfield: What about a selective memory?

Mr. Broadbent: —and I, for one, simply cannot believe that. As to the question of responsibility to the minister, bungling and the possible involvement of dishonesty, and the question of the RCMP's violation of the principle of the rule of law, a violation clearly demonstrated by its failure to inform the minister of illegal acts taken by representatives of the force in the city of Montreal, I say the force has demonstrated clear irresponsibility in terms of its past traditions in this country. This question must surely be in the minds of Canadians and in the minds of members of this House: Is this an isolated incident involving the RCMP?

An hon. Member: No.

Mr. Broadbent: Is it?

An hon. Member: No.

Mr. Broadbent: Surely, we need more information about the Praxis break-in in Toronto. We have had questions raised about inappropriate activity possibly involving the RCMP in New Brunswick, Alberta, Toronto and Montreal.

[Mr. Broadbent.]

Mr. MacKay: And Nova Scotia.

Mr. Broadbent: Surely, Mr. Speaker, in order to get to the root of this matter, to get to the root of the RCMP's responsibility, to determine if they were exercising their responsibility and whether the former solicitor general was simply incompetent or dishonest, we need a comprehensive public inquiry.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I shall be very brief in reply to those disclosures made today by the Solicitor General (Mr. Fox) whom I want to congratulate on his courage, his explanations and his statement this afternoon which was quite long and rather thorough. Along with my party, I do not agree that the former Quebec Minister of Justice (Mr. Choquette) answered that neither of the three police forces had been involved whatsoever in such an illegal matter. I think that the former Solicitor General should surely have done something or he should have known there was something fishy going on when, on October 26, 1972, it was suggested to his assistant by the RCMP that no acknowledgement be made, as reported on page 4. I therefore think that the minister—

Mr. Speaker: Order. I wonder if the hon. member for Richmond (Mr. Beaudoin) could indicate now if he needs five or ten minutes more, because I am sure it would be possible to go on until 1.05 or 1.10 p.m. to hear him through. Then, we could call it one o'clock and return at 2.10 p.m. to begin with the questions to be put to the Solicitor General. The hon. member for Richmond (Mr. Beaudoin).

Mr. Beaudoin: Mr. Speaker, would it be possible to ask for the unanimous consent of the House in order to proceed until 1.30 p.m. with this discussion and then come back at 2.30 p.m. after lunch?

● (1300)

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I gather from what the hon. member is saying that he intends to take an additional half hour to reply. Frankly, I think that is a little long. I say that with respect. If he could cut it down to 1.15 p.m. I would certainly have no objection to carrying on that way. In any event, because of the staff, and for a number of other reasons, if it is the intention of the House to proceed beyond one o'clock we ought not to come back any earlier than an hour after we adjourn. I hope that will be agreeable to our colleagues. Thereafter we could carry on with the question period.

Some hon. Members: One o'clock.

Mr. Speaker: It would require unanimous consent to change the arrangement. Therefore, it being one o'clock, I do now leave the chair until two o'clock to hear the balance of the hon. member's statement.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Speaker: Order. At one o'clock the hon. member for Richmond (Mr. Beaudoin) was speaking. However, we missed during the calling of committee reports the hon. member for Gloucester (Mr. Breau) who I believe has a committee report to table. Perhaps we could revert, with the consent of the House, to the tabling of reports.

Some hon. Members: Agreed.

* * *

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Ninth and tenth reports of Standing Committee on Finance, Trade and Economic Affairs—Mr. Breau (on behalf of the chairman).

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

* * *

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MINISTER'S STATEMENT

Mr. Beaudoin: Mr. Speaker, before lunch I had started a few remarks which I now continue. I wish to remind the House that in his statement on this whole matter, the Solicitor General (Mr. Fox) has shown a lot of courage; nevertheless I still suggest that he has not entirely satisfied our hunger to know all there is to know about the case of the APLQ. Our main concern, and a very serious one, has to do with the rule of law which must remain supreme. I recall that a couple of weeks ago I was greatly disturbed about this rule as it is applied in our penitentiaries. I trust the recommendations made to the Canadian Penitentiary Service will be applied *de facto* to the RCMP. The Solicitor General no doubt recognizes that the RCMP behaved in a very curious manner to say the least. First Division "C" of Montreal moved into action without informing anybody until four days later, when it did inform Ottawa. By this time, the matter was publicly known, telegrams asking for replies had been sent to the Montreal division which was waiting, nobody knows why, to inform Ottawa about this whole matter.

I sincerely believe the Royal Canadian Mounted Police failed in one of its great responsibilities toward the Solicitor General of Canada. Moreover, the then solicitor general was informed of the whole matter only on October 30, that is three weeks after the documents were stolen. The allegation made in the document that was handed to us also troubles me. I am talking about the allegation that the right hon. Prime Minister (Mr. Trudeau) apparently received from the RCMP clear and repeated assurances that this matter was exceptional and

isolated. Normally, I think we would take the word of the RCMP without a blink. However, following all this, I am wondering if I should not change a little my judgment on that police force, if such actions could remain hidden and confused for years, I repeat for years, for we are in 1977 and this matter goes back to 1972, and if such things can come to the surface afterwards, following the somewhat forced testimony of a former RCMP agent.

Mr. Speaker, I really wonder now whether other RCMP officials would not have some evidence to give about other cases which took place a few months or a few years ago. I am sure this would be of considerable interest to members of the House, in particular the Solicitor General (Mr. Fox). This whole matter casts a serious doubt on this police force and on communications between the various divisions of the RCMP and the Solicitor General, and this is very unfortunate, I suggest.

To conclude, Mr. Speaker, I wish to make a brief comment about the legal and constitutional framework of the investigation under way. If the RCMP intervene in Quebec as they have done on that occasion, they should at the present time, I suggest, participate actively and fully in the investigation in conjunction with the Quebec Justice Department. Therefore, members of this House would be more aware of this whole matter and the federal police force would have the opportunity to know every new development which occurs in this case.

I look forward to the legislation which will be introduced next fall to correct shortcomings in the law as a result of citizens' complaints. Mr. Speaker, I therefore urge the Solicitor General to consider carefully the consultation and communication formula between the various divisions of the RCMP, and between the Solicitor General, hence Parliament, and this police force. The RCMP have always been very respected by all Canadians and it would be unfortunate for this situation to change and for actions such as those we have just dealt to be accepted in any way.

• (1410)

[*English*]

Mr. Clark: Mr. Speaker, there are a couple of questions which I would like to direct to the Solicitor General, just to start. I am sure other of my colleagues will have questions. One of my questions relates to the rather curious reference on page 5 of the English language version of the statement, which indicates that the then commissioner and the then director general said they would be surprised if they had not verbally advised the solicitor general, now the Minister of Supply and Services, regarding the contents of the October 9 letter and all matters relating thereto. There is another degree of vagueness in that the Minister of Supply and Services does not recall the exact date upon which he became apprised of all the circumstances.

I should like to ask the Solicitor General what procedures he followed to ascertain this information from his predecessor, the Minister of Supply and Services, from the former commissioner of the RCMP and the director general. Specifically, was

this information taken in the form of a formal deposition? Was it taken under oath? Or is there some other means by which the minister can now persuade the House of Commons that we can take the word of one of the persons involved, the Minister of Supply and Services?

Mr. Fox: Mr. Speaker, I have before me the page the hon. member referred to. This statement was made after I had the opportunity of personally speaking with and interviewing the Minister of Supply and Services, the then commissioner of the RCMP and the then director general of the security service. When I say I was apprised of this statement, it was not from a written statement which was given to me; it was directly from a conversation. My understanding of the conversation is that they agreed this was a factual statement of the situation.

Also, the Leader of the Opposition asked me a question as to the date on which the meeting was held at which point the Minister of Supply and Services would have been apprised of the contents of the October 9 letter. That date was taken after verification was made of the agenda kept by the RCMP and by the Minister of Supply and Services. It was brought to my attention that there was a general election in the month of October and that the normal meetings, which were held on a weekly basis, between members of the force and the then solicitor general were postponed. The first meeting anyone has in their agenda following the general election was the meeting held on November 6, 1972.

Mr. Clark: Mr. Speaker, just so that I am clear on this: the fact is that there were no sworn statements? In particular, there was no sworn statement from the Minister of Supply and Services relative to this matter? The Solicitor General has nothing under oath; no sworn statement or deposition?

Mr. Fox: Mr. Speaker, the hon. member is quite right; I do not have any sworn statement as such. What I have is a clear affirmation by a minister of the Crown stating that these are the facts as far as he is concerned, and telling me that that is exactly what he would say if he were in a court of law. These facts were also brought to light in the presence of Commissioner Higgitt and Mr. John Starnes, and there was no denial of any of those facts. The facts, as indicated there, are entirely corroborated by the people I have interviewed.

Mr. Clark: Mr. Speaker, without pursuing this line, I should like to make it clear to the Solicitor General that at least I will not be satisfied as to the veracity of these statements, particularly those of the Minister of Supply and Services, until we have them under oath or in some other form upon which we can clearly rely.

I should like to turn now to a question of timing, and particularly to a representation given inside this House by the Prime Minister on June 2 and repeated more explicity in a press conference given by the Prime Minister on May 26. At that time the Prime Minister said he could say without equivocation that as soon as the then minister knew about it, he made sure that the proper authorities were made aware of those who would be entrusted and charged with prosecuting any possible offences. There is some question as to when the then minister, the present Minister of Supply and Services, became aware of this matter, but it appears now that it might have been at least November 6. It might have been earlier, but it was at least November 6.

On November 27, 21 days later, the then solicitor general, to the relief of the RCMP, left his portfolio and went on to another portfolio. That means there were 21 days in which he knew of the matter, yet it was not pursued and no action was taken by any incumbent of the office of the solicitor general until March 16, 1976—nearly four years later. How does that square with the statement given by the Prime Minister in his press conference, and repeated in another version in this House of Commons, that there was action taken as soon as the minister knew about it? The evidence given by the Solicitor General stands in direct contradiction of the statement given in this House and the statement given at the press conference by the Prime Minister.

Mr. Fox: Mr. Speaker, I do not believe there is any contradiction whatsoever, if the hon. member will give me time to spell it out. As I understand the information given by the Prime Minister in the House and during the course of his press conference, the then solicitor general, the commissioner of the RCMP and the director general of the security service, had no knowledge prior to the break-in. That much was extremely clear. When the hon. Leader of the Opposition refers to the statement of the Prime Minister that action was taken as soon as it was brought to the attention of the responsible minister, I take it he is referring to action taken by the present Minister of Indian Affairs and Northern Development.

Looking back at the citations that the hon. Leader of the Opposition is bringing forward, I think there is a distinction, as is pointed out in my text. No one denies, least of all the Minister of Supply and Services, that he had the letter of October 9 on November 6. However, there is a difference between having a letter before you and being informed of the fact that there had been an illegal break-in.

Mr. Clark: Mr. Speaker, perhaps that would be the case only with a most uninquisitive minister. The fact remains that that minister, the present Minister of Supply and Services, was seized of the information and at least had cause to raise questions—and memories are unclear as to what else he knew—for 21 days while he was solicitor general of this country; and he also knew of these matters for at least another 3½ years while he was not the solicitor general but, nonetheless, was a minister of the Crown.

The minister's statement today stated very clearly that neither the RCMP headquarters in Ottawa, nor the solicitor general had been told of the search and seizure of documents prior to the operation being carried out. Did the solicitor general, the RCMP or anyone associated with the solicitor general have any knowledge of any activity taking place regarding L'Agence de Presse Libre du Québec, le Mouvement pour la défense des prisonniers politiques du Québec and la Co-opérative des Déménageurs du 1er mai, prior to the event in

question? Was there any knowledge at all on the part of the then solicitor general, any of his officials or anyone in Ottawa and the RCMP as to any investigation into these groups prior to the offence?

Mr. Fox: Mr. Speaker, it seems to me the relevant question before the House is whether anyone was advised or had prior knowledge, either before or after the fact, of any illegal activities, or whether anyone had knowledge of any general surveillance activities which may have been going on in the Montreal area by certain groups. I do not think I would be prepared to answer that type of question.

Mr. Clark: Mr. Speaker, I want an answer to that question either now or at some other time. It is highly germane to know precisely the state of knowledge of the solicitor general of Canada or of his advisers relative to investigations into those groups before the break-in occurred.

Mr. Fox: Mr. Speaker, there was an understanding that the security service of the RCMP is supposed to carry out its duties. That is the understanding, and the direct orders are that those duties are to be accomplished according to the law.

● (1420)

Mr. Broadbent: Mr. Speaker, I have three questions to ask in connection with the important statement made today by the minister. The first concerns the meeting which took place, presumably on November 6, between the former solicitor general and senior officers of the RCMP. I find it very strange that the subject matter referred to at that meeting was not whether the RCMP took part in the break-in or not, but what was discussed, according to the beginning of the paragraph at the bottom of page 4 of the statement, was why the former solicitor general received a recommendation that he not acknowledge the letter. I should like to ask the Solicitor General if he ever directly asked the former solicitor general whether at that meeting he inquired of the senior officials of the RCMP whether the RCMP took part in an illegal break-in. If the present Solicitor General did not ask his predecessor that question, why did he not do so?

Mr. Fox: The question the hon. member has suggested was one which I put to the former solicitor general. The answer I received was that the direct question the hon. member has mentioned was not put to the RCMP and that the only question asked was why they had thought it was not necessary to reply to the letter. The answer to that, as indicated in the statement I made, was that the Montreal urban community police were investigating the matter. I think that is the complete answer to the hon. member's question.

Mr. Broadbent: The answer may be complete, but does the minister find it acceptable or reasonable that in a discussion involving the allegation that the RCMP consciously violated the Criminal Code his predecessor would not have asked directly whether the senior officials here in Ottawa had information with respect to such an allegation?

Mr. Fox: In the course of my statement I tried to bring out all the facts that were brought to my knowledge. The statement to which the hon. member refers goes on to say the explanation given to me by the then solicitor general was that he immediately found it, and there is a word of French there, "invraisemblable", I am not sure of the translation—perhaps it is "unbelievable"—that the RCMP could possibly have participated in an illegal break-in, and therefore he dismissed the letter, having been reassured by the RCMP that the whole matter was being investigated by the Montreal urban police. This is one subject which has been inquired into by the commission which the minister of justice in Quebec has set up, as to why that part of the inquiry of the Montreal urban community police was brought to an end.

Mr. Broadbent: I find the attitude taken by the minister's predecessor absolutely "unbelievable", to use the same term. I should like to ask the minister two concluding questions. At the bottom of page 5 of the statement there is a discussion as to whether or not senior RCMP officers, including the former commissioner, took action following Mr. Choquette's denial of police involvement in the break-in. I, at any rate, reach the inescapable conclusion that what is said here would lead any reasonable person to the conclusion that the RCMP was directly involved in a cover-up.

I want to ask the minister why he believes the former director general of the RCMP and the former commissioner were acting in good faith when they knew at the time that the RCMP had broken the law and had taken part in the break-in, and when they learned the then minister of justice in the province of Quebec, possibly in good faith, had said publicly that there was no involvement on the part of the RCMP. Can the minister explain to the House how he interprets his own words in the statement, that they were acting in good faith, when what is at least directly involved, among other things, is cover-up action on their part by not revealing to the public their knowledge of a violation of the law?

Mr. Fox: It was made very clear to me by the then commissioner, Mr. Higgett, and the then director general that there was absolutely no cover-up within the force. They had been informed at RCMP headquarters in Ottawa within four days of the break-in. They tell me that the statement made by the minister of justice on October 12 was not brought to the attention of the minister by them, of course, and as far as they were concerned they thought the matter was being properly investigated by the police force in the province which, under the general rules of the Criminal Code, was charged with investigating all such criminal matters.

Mr. Broadbent: We find one question has not been dealt with in all that has been said by the minister today, both in his statement and in reply to questions. It is: Who ordered the break-in? Has the minister asked the RCMP whether they have determined who ordered the break-in?

Mr. Fox: The whole question of the break-in itself—there is no doubt whatsoever about that—was handed over to the

provincial authorities in the province of Quebec and to the attorney general of that province, who launched an investigation to look into that matter. The RCMP co-operated, as of 1976, very closely with the investigation, as my statement indicates. Commissioner Nadon met with the investigator appointed by the province and any information requested was given by him. The result of that inquiry, as I understand it, was the laying of charges against the senior police officers in the three forces who authorized the break-in. In the case of the RCMP, the officer who authorized the break-in made on the Friday afternoon in Montreal was Chief Superintendent Cobb.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to ask the hon. Solicitor General (Mr. Fox) a couple of questions in view of the fact that under the circumstances, RCMP members have been operating in Quebec for many years and one of them is involved, along with the Quebec police, in this recent case, would the hon. minister tell the House if he really intends to cooperate and participate in the investigation that his Quebec counterpart is about to hold, in order to protect his rear guard and eventually let the cat out of the bag, if necessary?

Mr. Fox: Mr. Speaker, as I indicated earlier in my statement of which the hon. member may unfortunately not have received a copy yet, I have assured Quebec officials of our intention to participate as much as possible in the inquiry which has been ordered by the Quebec Justice Minister.

Mr. Beaudoin: Mr. Speaker, would the Solicitor General indicate to the House if Jacques Keable who is in charge now of this inquiry is the same lawyer as the journalist who worked for CBC over the last few years?

Mr. Fox: Mr. Speaker, if he is, I am not aware of it. I have very few details about the background of the person who has been chosen by the Quebec government in connection with the inquiry into this matter.

Mr. Beaudoin: Mr. Speaker, would the Solicitor General tell the House if he will inquire or if he will seek some information about the quality of this lawyer-inquirer and his prejudices that we have known for a long time, and does he intend to inform the House about the character of this individual?

Mr. Fox: I think that if there are questions raised about this, I am certain that there will always be members of the Press Gallery only too glad to make them known to the Canadian public.

● (1430)

[*English*]

Mr. MacKay: Mr. Speaker, I should like to ask the Solicitor General about something that appears at page 10 of the statement. It reads:

> The process of handling complaints of citizens—certainly in 1972—was not adequate.
>
> [Mr. Fox.]

He says he will correct this in the fall. Surely some improvements must be made in his office at present, compared with the way things used to be. I want to ask whether he endorses the way in which his colleague, the Minister of Supply and Services, handled this affair. Could this happen in his office now?

Mr. Fox: Mr. Speaker, perhaps just before answering the specific question which the hon. member has raised he will allow me to respond briefly to two points he made this morning in the course of his reply to the statement. The hon. member referred to a complete report which would have been given to the solicitor general of the day. My understanding is that the report to which he referred would have been made in 1976 to my immediate predecessor, rather than to the Minister of Supply and Services. I think the hon. member would be interested in knowing that some of the facts he stated this morning are not completely correct.

An hon. Member: Table it.

Mr. Fox: I would like to speak, also, of the role of Mr. Cobb. I think the hon. member indicated that he would have been in the office of the solicitor general. That is not quite correct. He was appointed executive assistant to the deputy solicitor general. Of course, the facts that are known now were not known to the senior officers in the minister's office at the time of his appointment.

As to whether this could have occurred today, I hope that that would not be possible. But I recognize there is still need, in spite of the improved procedures in my own office, for improvement, such as that all letters be acknowledged or replied to. In so far as police complaints are concerned, there is need for an impartial, independent body or agency which would look at them.

Mr. MacKay: I gather from the minister's answers that he does not unequivocally endorse the way things were done in the old days and that he is making improvements. I hope he will table the report he mentioned because his predecessor said on various occasions that he would make a full report to the House, which he never did. I want to ask the Solicitor General whether he would not concede that an impartial inquiry into this matter would be better than leaving the force, for which he is responsible at present, to the tender mercies of the Parti Québécois and the government of Quebec and allowing the situation to become a possible element of confrontation, another item of confrontation between that government and this government. Would he not agree that he could protect the force and discharge his responsibilities better if he instituted an inquiry, particularly in view of the admission he made yesterday that there was no consultation on the terms of reference or anything else before the government of Quebec set up this inquiry?

Mr. Fox: I thank the hon. member for this question. I sometimes think that no matter what my answer would be, he would have difficulty with it. At the moment he is saying that it is unfortunate there were no consultations with the govern-

ment of Quebec, but I sometimes wonder what his question would have been had I said there had been consultations. If that had been the answer, there would have been some idea of a Machiavellian plot to cover up.

Mr. Clark: Just answer the question, Francis.

Mr. Fox: I thank the Leader of the Opposition for his suggestion. I have tried to answer all questions which have been put to me.

Some hon. Members: Hear, hear!

Mr. Fox: There is, however, one point. There is no question arising as to whether there ought to be an inquiry.

Mr. Fraser: Has everybody answered your question?

Mr. Fox: I am sorry, I do not understand the question. There is no question as to whether there ought to be an inquiry. There is an inquiry going on in the province of Quebec at the moment, and I suppose if hon. members decide, or have some feelings that there have been cover-ups, surely they cannot believe, by any stretch of the imagination, that there could possibly be a cover-up between this government and the government of Quebec at the moment. So there is, of course, an inquiry. The question that arises is whether there should be a second inquiry. As far as I am concerned, I try to fulfil my undertaking to parliament today by bringing all the facts as I know them to the attention of the House of Commons, and I am pleased to listen to the suggestions hon. members are trying to make in this regard.

Some hon. Members: Hear, hear!

Mr. MacKay: I thank the minister for his answer and I trust, since he is relying so heavily on the authorities in Quebec, that there will also be an inquiry into the matter of the Minister of Supply and Services, so as to do a complete job. I hope he likes his testimony better. But I would like to ask him more about the role of Inspector Donald Cobb. How is it that he happened to become attached to the office of the then solicitor general? Was it just a remarkable coincidence, or at whose instigation was it? Who made the appointment?

Mr. Fox: I am informed that at the time the deputy solicitor general was in search of an executive assistant. The recommendation about Mr. Cobb would have come from the force. Mr. Cobb, of course, had an excellent background, was a very valued member of the force, and it was thought that members of the force would benefit from having exposure in different areas in government. The fact that he was chosen was simply a reflection of his capacity and the high regard that people have for Mr. Cobb. As a matter of fact, according to what the deputy solicitor general tells me, Mr. Cobb fulfilled his duties with the deputy solicitor general with a very high degree of competence.

Mr. Baldwin: Mr. Speaker, I would like to ask a question of the Solicitor General. Given the statement made in connection with a recent trial at which the judge and others commended these three police officials for their alertness in averting what might have been another apprehended insurrection, given the fact that it was public knowledge that the Prime Minister and other members of his cabinet were very concerned about possible insurrections, and having in mind the ingenuity they showed in imposing the War Measures Act in 1970, has the minister made any attempt to poll his colleagues, from the Prime Minister down—and this is a most likely assumption—to find out whether or not the Prime Minister and others in the cabinet were acquainted with the fact that three police officers had evidence of another apprehended insurrection and had averted it by their intelligent and prompt actions? Has the Solicitor General polled members of the cabinet, or will he do so, to find out if any of them, from the Prime Minister down, were not made aware of that fact back in 1972 after this event took place, as we would assume they would have been advised?

Mr. Fox: I realize the nexus the hon. member would like to deduct from both instances. There is no doubt that in 1972, as is the case today, reports were given to ministers of the Crown regarding possible security problems arising in the country. That is partly the role of the RCMP. However, as indicated in my statement, the RCMP have clear direction that both on the security side, as in police work, all their operations must be conducted in complete compliance with the laws of this land, which is the case.

Mr. Baldwin: I quote what appears at page 4 of the very excellent report which the minister has given. He says at the bottom of the page:

> Accordingly, the Minister of Supply and Services categorically states that he was not informed that the theft of documents was the result of an unlawful entry in which the RCMP has participated.

I take it that when making that statement, the Solicitor General is not making a judicial finding on his own that the Minister of Supply and Services was not informed, but is telling the House that the Minister of Supply and Services has so informed him. That being the case, I assume the Solicitor General is very careful, by using that language, not to put himself in the position of guaranteeing that the Minister of Supply and Services was, or was not, aware.

● (1440)

Can the Solicitor General tell us the terms of reference of the Quebec inquiry and how far they will permit intervention or co-operation? What will be the extent of the co-operation? I will come to that later, if I am allowed. Is the minister able to tell us in very concise terms the terms of reference of the Quebec inquiry?

Mr. Fox: Mr. Speaker, if the hon. member would refer to my statement, he would find that the terms of reference are included on page 8. I do not know if the hon. member wants me to reread them. Perhaps he will have a look at them.

Mr. Baldwin: That is one question which perhaps I need not have asked. I have only just had a chance to read the state-

ment. Having now examined it, and having heard what the minister has said, can the minister now advise us if under the terms of reference as he reads them, the Minister of Supply and Services will be giving evidence? Will he be appearing before this inquiry? Has the Solicitor General explored that avenue, and is there any good reason, in his judicious opinion, why the Minister of Supply and Services should not appear before that inquiry along with other people, including perhaps the executive assistant to the Minister of Supply and Services at the time he was solicitor general, so that the inquiry can explore for the satisfaction of the people of Canada one of the real issues, the issue of the accountability of the government as to whether there was, could have been or likely was, any delay, cover-up or obstruction of justice at the federal government level?

Mr. Fox: With respect to the last part of the hon. member's question, I think the facts as stated in my statement would tend to indicate that they will not. In answer to the more general question, I only learned of the terms of reference of the inquiry last evening. It is unclear to me whether the people mentioned by the hon. member could actually be called by the inquiry. I have asked my deputy minister to get in touch with the minister of justice of Quebec to see exactly what is the basis of those terms of reference.

Mr. Baldwin: Would you encourage the minister to appear as a witness?

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Solicitor General. On page 1 of his statement he referred to this whole matter as an "illegal search", and then he said in the second paragraph that "no threat to such liberties can justify the use of illegal means to protect these basic rights". Regardless of the judgment of the court, regardless whether there may be an appeal against the decision, or anything else, and since the minister and the government believe that the search in which a senior officer of the RCMP was involved was illegal and improper, I would like to ask the minister whether this senior officer will be disciplined or reprimanded; or will he, according to the commissioner of the RCMP as reported in the press, simply be returned to the position he held?

Mr. Fox: Mr. Speaker, the hon. member raises an important question. The RCMP officer who authorized the raid, as the hon. member knows, has been the subject of serious accusations before the criminal courts. He has been brought before the criminal courts. He was tried by a judge who heard all the relevant evidence. That judge came to a number of conclusions which were published in the press yesterday. I know some hon. members do not agree with the sentence which was imposed by the judge, but perhaps the fact that the judge had all the facts before him might lead hon. members to a different conclusion.

The commissioner of the RCMP informed me this morning that when Mr. Cobb pleaded guilty to the accusations brought against him under section 115 of the Criminal Code, he was suspended and that that suspension has now been lifted by the RCMP in view of the sentence handed down by the judge. The RCMP has taken cognizance of that judgment. The commissioner feels that a suspension is perhpas the most extreme sanction available. He has told me that he wishes to review the circumstances of other people involved, to see whether additional disciplinary action ought to be taken. As hon. members know, under the Royal Canadian Mounted Police Act which was passed by parliament, questions of discipline within the force are the exclusive prerogative of the commissioner.

Mr. Baker (Grenville-Carleton): Mr. Speaker, a few moments ago when this matter was being pursued, the Solicitor General indicated that he was certainly not putting himself in the position of in any way guaranteeing the whole truth of what he put forward relating to the involvement of the then solicitor general of Canada. That was the whole thrust of his stance today, and I cannot really blame him because everything with respect to the involvement of the then solicitor general is based upon the word of the then solicitor general to the present Solicitor General. There is not one deposition or sworn statement indicating that the Minister of Supply and Services is telling the truth.

Will the Solicitor General undertake to have his colleague, the Minister of Supply and Services, make depositions under oath setting out all the information that is necessary and relevant to buttress the case which the Solicitor General, under instructions from somewhere, has tried to make? Is this the whole of the case? As a solicitor, the Solicitor General knows that the case is shot full of holes because he relies on hearsay evidence.

Mr. Fox: Mr. Speaker, I do not know whether the word "hearsay" means the same in English as it does in the French law schools of the country. Hearsay is normally something told to somebody by somebody else, which is second-hand. The information I have laid before the House is the result of personal conversations I have had with the Minister of Supply and Services and with the commissioner.

Mr. Baker (Grenville-Carleton): That is still hearsay.

Mr. Fox: Perhaps that is hearsay to the hon. member, but it is not hearsay to me. It is not based on someone else's conversations. As far as the question of sworn depositions is concerned, I have spoken to the people involved, who are no doubt honourable men, including the minister, the commissioner of the RCMP and the deputy director of security services at that time. I believe it is contrary to the procedures of this House to ask for a sworn statement from a minister of the Crown. The minister has told me quite clearly that what he told me is exactly what he would say in a court of law. That means that he was speaking under his own promise.

An hon. Member: You have never had a tougher client to defend.

Mr. Baker (Grenville-Carleton): Mr. Speaker, any statement by the former solicitor general to the present Solicitor General does not have the effect of a statement made in this

House, in a courtroom or under oath. My question to the Solicitor General is a simple one, and my reason for asking it is obvious. Will the Solicitor General go to his colleague, the Minister of Supply and Services, who was solicitor general when all this is supposed to have taken place, and obtain from him, and table in this House, a sworn statement as to his involvement in this affair?

Mr. Fox: Mr. Speaker, as I understand the rules of this House, if the Minister of Supply and Services feels that his integrity has been impugned, he can certainly rise on a question of privilege and indicate that everything he has told me and everything indicated in my statement is true.

Mr. Baker (Grenville-Carleton): Has the Solicitor General been in touch with the Minister of Supply and Services in the course of the preparation of this statement? Has he been in touch by telephone or otherwise to read the statement to him, or to let him know what was to be placed in this statement today and delivered to the House through the mouth of the Solicitor General? Has that happened? Can the Solicitor General tell us whether it is the intention of the Minister of Supply and Services, when he returns to this House, to make the statement which the Solicitor General has indicated could be made and which, with respect, I think should be made?

● (1450)

Mr. Fox: On the question of whether the Minister of Supply and Services will make a statement to the House, I am not in a position to respond to that because I have not asked him. On the question of whether I have been in touch with the former solicitor general to show him the statement, he has not seen the statement I made in the House today. It is quite clear that I have spoken to him about parts of the statement which relate to what he sees as being the facts of the matter to which I have referred.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 2,358 will be answered today.

[*Text*]

CHEESE

Question No. 2,358—**Mr. Scott:**

1. What was the total number of pounds of cheese (a) imported (b) exported in (i) 1966 (ii) 1971 (iii) 1976?

2. By province, how many licenced cheese factories were operating in (a) 1966 (b) 1971 (c) 1976?

3. What was the total output of cheese, in pounds, by Canadian factories in (a) 1966 (b) 1971 (c) 1976?

4. How many applications were (a) received (b) granted for licencing of Canadian cheese factories in (i) 1966 (ii) 1971 (iii) 1976?

5. What are the tariff rates on (a) specialty cheese imports (b) cheddar cheese imports?

6. What is the subsidy granted on cheddar cheese exports?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture, National Revenue and Statistics Canada as follows: 1. The total number of pounds of cheese: (a) imported in 1966, 18,247,400 lbs.; 1971, 34,611,900 lbs.; 1976, 50,896,-900 lbs. (b) exported in 1966, 35,947,900 lbs.; 1971, 32,813,-400 lbs.; 1976, 5,135,900 lbs.

2 and 4. This information is not available from Agriculture Canada as licencing is a provincial responsibility.

3. The total output of cheese: (a) 1966, 194,770,000 lbs. (b) 1971, 248,030,000 lbs. (c) 1976, 276,679,000 lbs.

5. See following table.

6. Thirty cents per pound on aged cheddar cheese exported to the United Kingdom.

Tariff Items	Products Covered	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff
1700-1	Cheese—per pound	3 cents	3½ cents	7 cents	—
EX	New Zealand Trade Agreement Cheese—1 cent per pound. When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.				
1700-2	Cheddar cheese—per pound	—	3 cents	—	—
	Australian Trade Agreement				
1700-2	Cheddar cheese—1 cent per pound. When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.				

Mr. Speaker, I would ask that all the other questions be allowed to stand.

* * *

ANTI-INFLATION ACT

PETITION TO END CONTROLS OF JUNE 30, 1977

The House resumed from Thursday, June 16, consideration of the motion of Mr. Stevens:

That the Anti-Inflation Act being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada 1974-75-76, shall expire on the 30th day of June, 1977.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, for a few minutes this afternoon I want to address my remarks to the motion brought by the hon. member for York-Simcoe (Mr. Stevens) which was debated yesterday. I think certain things ought to be said bluntly on this second day of debate. The first is that we on this side are getting a little tired of suggestions that we do not have a position on the economic problems of the country, and that we do not have a position on what should, or should not, be done with respect to controls. The fact is, we have had a position on controls and the economic difficulties of this country for a long time. Not only that, but if the positions we have taken, going back some three or four years, had been accepted by the House at the time, we would not have anything like the difficulties we face today.

Some hon. Members: Hear, hear!

Mr. Fraser: I want to add something to that, Mr. Speaker. The fact of the matter is that under our former leader, the hon. member for Halifax (Mr. Stanfield), this party had the guts to tell the Canadian people what no other party in this House had the guts to tell them. We were the first to suggest that something had to be done to break inflation expectations, and if it had been done at the time we were saying it we would have finished with controls a long time ago.

I have said in this House before, and apparently I have to say it again, that there was nothing in recent history more deliberately dishonest than the 1974 election campaign of the government when they had their own contingency plan for controls and yet went through the election campaign leaving the impression, especially with labour, that they would not bring in a controls system. We put forward these ideas in 1973 and campaigned in 1974 knowing perfectly well that we did not have all segments of public opinion on our side. We knew we were in a battle against public opinion, but we were prepared to fight that battle because it was time politicians had the guts to put their ideas forward and persuade the public to adopt them—not just wait to see in what way the public would go.

[Mr. Goodale.]

In defence of the fact that he cannot find a way, if he wants to get out of controls, stay in controls for a long time, or stay in controls permanently, the Minister of Finance (Mr. Macdonald) said, in effect, last night, "You cannot assail me. The polls in Canada show that the public does not want to get out of controls." I interjected, "What are you doing, making economic decisions by taking polls of what people think they like or do not like?"

The public is sick and tired of a government and of politicians who have forgotten the one fundamental obligation of a politician in Canada, and that is to decide what is the right thing to do and then persuade the public to go along with it: not the opposite. As I said, I am fed up listening to hon. members on the other side, from the Prime Minister (Mr. Trudeau), the Minister of Finance, down through the treasury benches, asking what we would do. I can see them sitting there twisting their limp wrists and saying, "Tell us what you would do." We told them many months ago, and we are telling them again.

Hon. members are smiling, but maybe that is the last thing they have to smile about. Now they are in the crunch. If they do not want to accept our point of view, they should say so. But they should go one step further and tell us what they are going to do. For 20 months this government has not known what to do. First of all, they got into this program on the wrong foot. Second, instead of starting with a freeze which would have affected everybody equally, they started with utter confusion. Third, they have not decided things amongst themselves. Now they wonder why they have problems with labour in this country: labour thinks the government has double-crossed them. We can tell the government what we would do. They should not accuse us of having no ideas. We know what we would do, and we have put it clearly to them. It is up to the government to respond; that is what this debate is all about.

This party has done a service to the country by bringing this motion forward, because the country does not know what the government has in mind in terms of a decontrols period. In all sincerity I ask the government not to leave the country in doubt very much longer. It is doubt and uncertainty that is causing as much trouble now as the inflationary expectations caused a couple of years ago. I do not have to remind anybody in this House that there are about one million people unemployed in this country. The government certainly knows that. Many members on that side understand, as we do, that the problem of unemployment will only be solved if we get the economy going, get productivity going and create a climate for the private sector in which it can do some planning and accumulate plant and equipment. It cannot do that until it knows what the government's plans are.

That being the case, I say there is a direct, blunt, real and urgent obligation on the government to tell the House today

what they are going to do. I do not want to hear any more talk from the government side—or from the media—to the effect that we cannot ask the government what they will do unless we have a plan ourselves. Mr. Speaker, we have offered a blueprint already, but the government does not want to accept it, according to the speech made by the Minister of Finance last night. The Minister of Finance said nothing.

• (1500)

Mr. Clarke: Apparently he doesn't know anything.

Mr. Fraser: That is true. Last night he said nothing. I will not deal with any question of semantics, that is to say, whether it is possible for someone to speak and at the same time say nothing, but if you examine his speech you will see little that is new in it. It does not tell this country's business community where the government wants to go, does not tell labour, our working men and women, where the government intends to go, and does not tell old age pensioners, people on fixed incomes, people outside the trade union movement, ordinary entrepreneurs and small businessmen, what the government intends to do. That speech contains not one single direction post. It gives no sign of what the government intends to do.

Mr. Clarke: If you read it twice, it still amounts to a double zero.

Mr. Fraser: What does it mean for the country? It means this: the longer the government delays making up its own mind, making a decision, the longer the country will be left in uncertainty.

Last night the hon. member for Halifax, my former leader, made a fine speech in which he quoted the Prime Minister as saying that it is the duty of the government to decide. The Prime Minister was not the first politician to say it, but it is signicant that he, this country's most prominent politician, does not abide by those words, because the government has not decided. It is one thing to say these things, quite another to act.

I have been interested to note that for some months colleagues in this House, honourable men and women all of them, have read into the record columns printed in the press, and quoted especially the results of seminars and gatherings of this country's business and labour people; and it is apparent that those who have a direct interest in the economy are unable to make up their minds on what to do. I do not say these decisions are easy; I do not pretend they are, even though I castigated the government. However, my castigation will be to some purpose if the government listens. My point is this: we must find a way out, but the final decision under our parliamentary system must be made by the government. You see, it is curious—I suppose it is one of the peccadilloes of human nature—that when we advocated controls in 1973 and 1974, people opposed us, saying we should not do it. It is somewhat ironic that today some of those very people say, "We do not want controls, but for goodness sake do not get out of them now."

There is no good time for removing controls, but this may be the best opportunity we shall have for a long time. As others have said, our production is at 80 per cent of potential, one million are unemployed, but many forces at work in the economy militate against another wage and price explosion. On page 2 of the government document "Highlights of the Discussion Paper on Decontrol and Post-Control Issues" the following words appear:

> The time is approaching to remove the temporary control over prices and incomes, and there are favourable conditions for doing so. It seems unlikely that excess demand will lead to a renewed acceleration of inflation when controls are removed. There should be no shortages of food, industrial materials or energy. Controls do not seem to have distorted Canadian labour or product markets, or wage or price structures.

I am not sure I agree with that last sentence. I continue quoting:

> Most important, inflationary expectations have changed significantly since October 1975. Canadians no longer expect wages and prices to rise at double-digit rates. Business and consumers do not foresee substantial price increases.

Ironically, the document says that in other areas there may be pressures on prices, possibly causing them to rise. I say to hon. members on the government side, these words are contained in the government's own document. You know, it is getting late in the day to have it both ways.

Mr. Gillies: Not if you are Liberal.

Mr. Fraser: I say to the government, you had better act on this document, or tell us why you will not act.

I now come to an important point which all Canadians must face. I know the Minister of Finance would like to end controls; I know it, not because he sent me a letter, but from paying attention to what he has said. He repeated this sentiment again in last night's speech. I happen to know that a good many members on the government side would like controls to end, and I also know that a good many on the government side, although not all of them, think that long-term or permanent controls will do this country a lot of harm. That is my party's position, and it is the view of most people who are prepared to accept the responsibilities and risks which go with a free system. But the Prime Minister has said we must not get out of controls until we have a commitment from various sectors of the economy that they will restrain their demands, that demands will not get out of hand. It is fine to say that in the classroom. That is great in theory. The trouble is, the world does not work that way. It is like saying to Canadians, "We are not going to give you the freedom to make mistakes until we are absolutely sure you will not make a mistake." Such thinking applies to a world which does not exist.

This country is made up of men and women brought up in the tradition that our institutions are free. And they are free to make mistakes. Surely the government need only intervene when those mistakes are so serious as to hurt the welfare of the entire community, that is to say, when they are clearly against the public interest. My friends opposite may say, "You are being philosophical." Perhaps it is a philosophical point. The fundamental question is, are we to be a free country, or is the

government to intrude on our freedoms by insisting that the state has the right to intrude in every facet of our lives?

Mr. Clarke: That is what they want.

Mr. Fraser: You see, it does not do for businessmen to say, "We do not think we should have controls, but if you get out of them those trade union fellows will get out of line." It will not do for people involved with civil rights, or for ordinary citizens to say, "We do not think we should have controls, but, my goodness, somebody must do something about prices." The fact is that labour and management which, with the government, make up the most important sectors of the economy, must make up their minds. Do they have the guts to accept responsibility and do they want freedom badly enough? Do they want to return to conditions where the government does not make decisions for them, where they will have to exercise responsibility and common sense?

Mr. McIsaac: They have not made it so far.

Mr. Fraser: My hon. friend opposite, for whom I have high regard says, "You have not made it so far." Do you think, if you remove people from the atmosphere in which they can make their own decisions, they will be better able to make those decisions later? That is a contradiction of human nature. The more you shelter people, taking away from them the responsibility to exercise their rights within some kind of sense of self-discipline and common sense, the harder it will be for them to do it when you move them back into a free atmosphere. That is fundamental.

● (1510)

I say to my friends on the government side that they have not done it yet. They have not done it if they are trying to have heaven this side of the grave. However, we cannot do that. As a Conservative, I do not think the world is necessarily perfectable this side of heaven. We are in an imperfect world and we have to do the best we can with it.

Mr. Munro (Esquimalt-Saanich): An imperfect government, too.

Mr. Fraser: My friend says we have an imperfect government. It is not necessary for me to debate that issue. There is no argument there.

Mr. Kaplan: We admit it.

Mr. Fraser: What I am saying is that there will be no perfect time to say to people that they have to be responsible, that if they want their freedom they will have to exercise it responsibly. There will be excesses. Some people will not be able to accept that. However, that is something we will have to work out as time goes on. There is not a person here with any maturity who thinks he or she lives in a perfect world or thinks he or she will ever accomplish it.

One of the things we have fought for in our community, both politically and economically, is a reasonable degree of freedom. That results in having to be responsible. There are labour leaders today who can tell you that when controls come off the thing they fear the most is the first management group in a major sector in industry that gives way to a ridiculous demand. That will put terrible pressure on the rest of the labour leaders. They may not tell you that publicly, but they will say it privately. That means management has a responsibility. They cannot just decide that every time they go to the bargaining table they will give in and just pass it on to the consumer. There is a growing awareness in this Chamber that governments have to be responsible.

Some hon. Members: Hear, hear!

Mr. Fraser: For those who say that government cannot contain its own expenditures, costs and growth, I say it cannot do that unless those people who are directing government have the will to do it. Just in case anybody tries to take my words out of context, let me say this: I am not one who believes for one minute that you can solve the country's ills by suddenly moving in with a bulldozer and destroying every particle of government that we have in this country. That is inane. There are people with that view and they are foolish or worse. We need to have a handle on government like we need to have a handle on everything else.

Mr. Gillies: But do we need to have this government?

Mr. Kaplan: That is up to the voters to decide.

Mr. Fraser: We have this government at least for a while. I have to do the best I can on a Friday afternoon to persuade the government to amend its ways.

I want to turn to another matter, the documents and speeches of the Minister of Labour (Mr. Munro). I am sorry he is not here this afternoon. He is representing our country at the International Labour Organization in Geneva and cannot be here for this debate. I know he would want to be here. I understand why he cannot.

Since the fall the Minister of Labour, the Minister of Finance and others, including the Prime Minister, have been talking about the establishment of a national forum to discuss the big economic issues of the day. I am very intrigued that although I have been asking questions since the end of October through November, December, January, February and on, and I made reference to it in a speech to this House on April 21, the government is no closer to establishing this national forum.

The national forum that the government has in mind to discuss the "big economic issues of the day" is a multipartite forum which will include representatives from just about every segment of society that you can imagine. Interestingly enough, in the "Agenda for Co-operation" and in the summary of the "Agenda for Co-operation", that is the green paper, once again this multipartite national forum is put out as being the consultative mechanism by which we are going to conduct to quite a degree on an advisory or consultative basis, our affairs.

The Minister of Finance very appropriately and kindly today in question period straightened out one thing, that is,

that the discussions going on now which will help him to make up his mind when controls will end and which of the three options the minister put forward will be followed—those discussions will take place with labour representatives and management representatives, not the multipartite national forum.

I am sorry I have to keep repeating in this Chamber to those on the government side that there is no use advocating this multipartite national forum unless you have labour's agreement to go in it. I pointed out in the past that they do not have labour's agreement to go into it.

Labour says it will not go in it because it will be outnumbered. It wants to deal with management and government but it does not want to deal with the entire community. It says it would be outnumbered and would not have significance in a tripartite consultative body. If there is any doubt about that, I remind the government that on May 30 in the *Gazette,* Mrs. Shirley Carr, vice-president of the Canadian Labour Congress, made a statement. The article reads, and I quote:

> The Canadian Labour Congress has rejected any role in the body that will likely be set up to advise the federal government on economic affairs when wage and price controls end, Vice-President Shirley Carr said in an interview. She said the body would be too large to function effectively.

That does not come as any surprise to anyone who has been paying attention to what labour leaders have been saying, because they have said it before. Mr. Morris said it many weeks ago. Now Mrs. Carr is saying it.

If you look at the *Canadian Labour Comment,* which is the publication of the Canadian Labour Congress, for June 10, 1977, you find these words:

> We agree with the government's proposal for a consultative assembly to assist in future government planning, but disagree with the government's suggestion that such an assembly be open to a multitude of groups. Such an assembly would be unwieldy and its effectiveness would be diluted to such an extent that it would be of no practical use. We therefore urge the government to return to the format which has recently had some success: a body made up of the three major partners in the economy: government, labour and business.

I am not arguing now about the rightness or wrongness of the CLC position, although I will say that I very much tend to agree with the concept.

What is the use of advocating a multipartite 50 member national forum, the object of which will be to have more discussion of the economic situation, when you have a very clear statement from one of the most important groups that would have to be represented there that it will not take part? After having said this many times and pleaded with members of the government side, I hope they will go to the Minister of Labour and say that maybe the labour critic on the other side does have a point. There is no use advocating something that does not meet with the approval of one absolutely essential group you need to have there.

Mr. Macdonald (Rosedale): They are not saying that in private.

Mr. Fraser: The Minister of Finance says they are not saying that in private. That is very interesting. They have said it to me in private.

• (1520)

Mr. Macdonald (Rosedale): Not in the consultations.

Mr. Fraser: My hon. friend, the Minister of Finance, says not on the principle of consultation.

Mr. Macdonald (Rosedale): I said, not in the consultation, they have not refused participation.

Mr. Fraser: My hon. friend, the Minister of Finance, says they have not refused participation in this multipartite body in consultations that he has had with them recently. I did not know that. But I do know that privately I have been told they are not going to go along with it, and publicly they are saying that they will not go along.

Perhaps we have a difficulty here. These discussions which have been taking place between labour, government and management are to some degree confidential at this time, and I can understand that. However, I am glad the Minister of Finance is in the Chamber today because he now says that, whatever are the public utterances of the CLC, that is not what they are saying privately. That is a little dangerous situation to have arise because the Minister of Finance was in some difficulty some weeks ago—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): There is not unanimous consent.

Mr. Alexander: Bob Kaplan, the Parliamentary Secretary to the Minister of Finance, said no.

Mr. Kaplan: I rise on a point of order, Mr. Speaker, which is not to do with withholding consent since I understand there was general agreement among all parties that we would confine our speeches to 30 minutes. I am rising on a point of order, Mr. Speaker, to draw to your attention that, perhaps through inadvertence, two Conservative members in a row have been recognized. The hon. member for Dauphin concluded the debate last night, and then this afternoon the first speaker recognized was from the Conservative party. I know it is a matter of the Speaker's judgment, but—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member may not have to pursue this matter. The Chair recognizes this and we are prepared to recognize two members from the government side.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I listened with interest to my colleague, the Minister of Finance (Mr. Macdonald), last night, and reviewed his comments, along with those of others, in *Hansard*

this morning. He has already examined the state of the economy in the context of the anti-inflation program and dealt with some of the important matters relating to the decontrol process. I assure the House that I concur with his assessment and the conclusions he drew in his review, as well as the caution that he expressed as we view decontrol and the post-controls period.

Nobody would claim that we are out of the inflation woods yet, but I believe that we are making progress and that there are encouraging signs. The Minister of Finance mentioned some last night. I want to deal with others which directly affect my portfolio because I think they do demonstrate in a tangible way that the government has been providing leadership in the conduct of its own operations during this somewhat difficult time. I might add, Mr. Speaker, that we are fully determined to continue to provide that leadership in the equally difficult days ahead.

Let me try to review some of these encouraging signs, Mr. Speaker. The percentage increase in government spending this year is the smallest in more than a decade. I have already given a commitment to the House, which is backed up by cabinet, that fiscal restraint will continue in fiscal year 1978-1979. The increase in public service man years, the growth of the public service, which has been of some concern both substantively and symbolically, has been virtually halted this year, and again I have given the commitment to this House that that rigid control of manpower resources is going to continue in 1978-79.

Wage settlements negotiated with the public service unions have remained in the main in keeping with the Anti-Inflation Board guidelines. Again I can make a commitment to members of the House that, within the framework of comparability with the private sector, we will continue to offer fair but measured settlements with the federal public service, settlements that will follow and not lead the private sector.

So to the skeptics, Mr. Speaker, I would say look at the record. We were challenged to show leadership in the area of restraint and we accepted that challenge. Indeed we have met it with more than a modest measure of success. What is more, Mr. Speaker, this was accomplished without an economic distortion in the federal realm which would trigger a reaction to bounce back as soon as the controls are removed.

Therefore I think these accomplishments, together with the commitment to continue to be vigilant at the federal level in fiscal affairs, have paved the way, if and when the decision is taken, for relaxing the legislated price and income controls as they apply to federal government activity. But having said that, Mr. Speaker, I want to reiterate the caution that applies equally to the federal government as it does to all other segments of society.

We will continue to hold the upper hand with inflation only through a high level of co-operation between management and labour, between producer and manufacturer, and between government and the private sector. It is this continuing need that makes the concept of a forum for consultation as proposed in the green paper, which seems to be coming under some fire,

so attractive. We simply have to face the fact that governments cannot do it all; we will have to continue to work together. Let us make no mistake about it; the road ahead will not be as easy, nor can the controls period end as easily as the Leader of the Opposition (Mr. Clark) appears to think. I noted a recent public comment which was attributed to him to the effect that it would be a good way to celebrate July 1 by simply turning out the lights and lifting the controls.

Mr. Stevens: He did not say that.

Mr. Andras: Well, that is the report that I have noted.

Mr. Stevens: He did not say turn the lights out.

Mr. Andras: He said we should lift the controls. He said it would be a great thing to lift the controls suddenly on July 1. If I said turn the lights out, then that is my description of it. Anyway, apparently he sees the whole program being suddenly dropped on June 30, that this would be a good idea, with the cabinet apparently arbitrarily dealing with the leftovers on the advice of a department that has the monitoring of salary and price increases suddenly added to its responsibilities simply as "other related duties".

I do not think it is a time for grandstanding, Mr. Speaker. I think it is a time for co-operation of the very highest order. I think that is as fundamental to the decontrol process as it has been during the life of the anti-inflation program.

As President of the Treasury Board representing in the government sense the employer, and having to apply the controls to our general expenditure restraint program, I can tell hon. members that we have had widespread and substantial support in making the restraint program work in what we call the bureaucratic system. Without that I do not think the progress that we have made could have been made, nor could it have been made so quickly. My cabinet colleagues and their departmental staffs certainly have not been happy from time to time at the many occasions when they have had to modify their submissions, but they have co-operated in an effort to trim government spending.

It has to be said in all fairness that the public service unions too have, with very few exceptions, tempered their demands in a way that underscores the observation in the green paper that inflationary expectations have decreased in Canada since 1975. This apparent change of attitudes and expectations by many segments of our society, coupled with our continuing commitment to keep inflation in check, bodes well for the immediate future.

In the area of fiscal matters I have already reminded members of my commitment, which has been stated several times, that the federal government will restrain its spending in line with relative growth in the gross national product. The record shows that in fiscal 1976-77 the GNP increased by 13.5 per cent and that our expenditure increase was held to 11 per cent.

● (1530)

During fiscal year 1977-78 the forecasters are looking for an 11 per cent increase in the gross national product. I have already told the House that we expect a federal expenditure increase over 1976 in the area of 7 per cent. That translates into a total expenditure for this fiscal year of $44,450 million, budgetary and non-budgetary, including all supplementary estimates through to March 31, 1978.

To emphasize the degree of restraint, that total figure of $44,450 million includes only $1,550 million reserve for all supplementary estimates for the whole of the fiscal year of which, by past experience, $850 million will probably be absorbed by unavoidable adjustments to existing programs, statutory and others. That will leave only $700 million for emergencies or new programs requiring new expenditures. Well, $700 million in absolute figures is a very, very sizeable amount. Relative to the total expenditures, however, it amounts to 1½ per cent. Relative to reserves after the main estimates within expenditure ceilings for any given year or relative to the cumulative supplementary estimates of previous years, that is very tight indeed. I doubt that any fortnight of debates in this House of Commons goes by without there being suggestions for spending from all sides in excess of that reserve.

I have said that I did not get into politics to balance books or to be a bookkeeper, but in the face of the continuing need to combat inflation, and recognizing that the entire public sector—all governments in Canada—is now eating up more than 40 per cent of the GNP, up about 12 per cent from just over a decade ago, the bulk of which is at the provincial and municipal level, all of us in public office have got to maintain a determined effort and leave no stone unturned collectively in an attempt to keep our total public spending in line with the kind of commitments we have been making.

Mr. Stanfield: I think you should roll a few stones over and see what is under them.

Mr. Andras: Mr. Speaker, we are doing that. The hon. member for Halifax (Mr. Stanfield) has made a rather gratuitous but useful comment about rolling stones over to see what is under them. We are finding a few things we hope to eliminate. I am sure the hon. member had to do that on occasion himself.

I make the statement that we have to maintain and meet our commitment to restrain our spending within the pattern of the gross national product. I make that statement with the full knowledge that emergencies and extraordinary situations may require extraordinary measures from time to time. However, our goal must be to keep federal spending growth in step with the GNP.

I heard the economist, Douglas Peters, comment the other day in Montreal at the CMA meeting. He suggested that we need major new incentives for manufacturing. I should like to ask him what he is willing to trade off in exchange. By the same token we, as members of parliament and politicians, must be prepared to cut back in established and existing programs if unavoidable new demands arise and have to be met. We cannot add new ideas requiring new expenditures on top of existing commitments without blowing the lid off.

I should like to comment for a few minutes on another important aspect which is very directly related to my portfolio, and that is the matter of public service compensation and collective bargaining. I do so in light of the anti-inflation program and the decontrol process.

At the outset I should like to state the obvious, and that is, we believe that collective bargaining is the fairest and most acceptable method of determining wages and working conditions for the federal public servant. We also believe in the principle of comparability of compensation wherever possible. It is very much more possible quantitatively than generally thought. I am referring to the comparability of compensation between the public servant and the employee in the private sector—between private industry and government.

There are those who feel that in this field of wage, salary and collective bargaining settlements that the federal government is a pacesetter, forcing wages and salaries up in the market place. The facts deny that allegation. Labour Canada provides a general picture by showing rates of increase in base wage rates for new settlements covering 500 employees. This is a matter of public information and public record. I should like to refer to that report which covers the period from 1968 to 1976. It excludes the construction industry.

That report indicates that for municipal public servants the base wage rate increase was 132 per cent; for provincial public servants that wage increase was 129 per cent; for the public sector as a whole the increase was 124 per cent; for all industries, both private and public, the increase was 123 per cent; for the private sector alone the increase was 120 per cent; and at the very bottom of the list the federal public servant wage increase was 113 per cent. Those numbers clearly indicate that the increase in base rates for federal public servants has been less than any other sector, including the private sector. It is equally clear that if the increases in the public sector as a whole are slightly higher than the average, that is due to increases at other than federal government levels.

I have read those statistics into the record because they set the stage for some of the information I would like to give hon. members now. It will add credence and emphasis to what I said at the outset—we are showing leadership during this period of the anti-inflation program.

The AIB summary of public service settlements submitted for review called for an average increase of 10½ per cent, which had been the first year guideline established by the regulations. In fact, just over 80 per cent of the compensation settlements or arbitral awards were at or under the guidelines. That should be compared to other settlements in other sectors of the economy. Outside the public service, the average increase submitted for review was slightly higher than the federal public service and nearly a full percentage point above the guidelines. Thus, even though the federal public service record of base rate increases since 1968 was the lowest on the

list, it did not prevent us from meeting the same AIB guidelines which others apparently could not meet. And while I am told the anti-inflation program has not yet had a discernible impact on the number of strikes in the federal public service, I am heartened by the dramatic reversal in this kind of activity.

● (1540)

In 1974 one strike was recorded in the federal public service, involving 17,300 employees. The following year, 1975, there were 12 strikes, either illegal or legal, involving about 43,400 employees. And in 1976, the most recent year for which statistics are available, there were six strikes involving only 9,000 employees. During the same three-year period the number of workers involved in strikes in all sectors across Canada almost tripled to a high in 1976 of just under 1.6 million.

While the statistics I have quoted demonstrate the effectiveness of the AIB program, hon. members may wonder about its effect upon the employee. Did he suffer? Did he lose financial ground? Mr. Speaker, workers in this country have experienced a real annual increase in wage rates which, for some, was higher than in previous years. The federal public servant got a real increase of 4.9 per cent, the highest real gain for him since 1971, while in manufacturing average hourly earnings showed a real increase of 6.7 per cent, well above the real gain recorded in any of the previous five years.

So it is not a bad record. What this tells me is that even within the restraint program, even within the constraint of the guidelines, there was room for significant growth in real purchasing power for both the public servant and his counterpart in private industry.

In looking to the decontrol period, the government has already stated its belief that the process and timing for the ending of controls should be the same in both the public and the private sectors. We reject the recommendation which has come from some sources that arbitrary controls should continue to apply to public servants after they have been removed in the private sector. We feel that would be unfair and unworkable. Nevertheless, we feel improvements must be made in the system of public service compensation.

What we are talking about now, and have begun to discuss with the public service unions, is the idea that in the pursuit of the principle of average comparability with the private sector, collective bargaining in the public service must reflect total compensation. In other words, we must give full recognition to the value of wages, benefits and working conditions as part of the compensation package. In other words, we have to give full recognition not only to the wages paid but also to other benefits and working conditions when assessing the total compensation package. Having shown leadership in this area, we are in consultation with the provinces and we hope that they, too, will attempt to bargain on a similar basis of average comparability with the private sector taking total compensation into account.

Implementation of these policies requires the development of improved methods and more detailed data, along with continued consultation with bargaining agents, the pay research bureau and others. The Treasury Board is now in the process of developing detailed work plans which include provision for consultation with all interested parties; I am hopeful that these consultations, which will occur within the context of the green paper, will help clarify the approach to be taken in connection with the achievement of our compensation goals.

I note that the other day the columnist, Maurice Western, writing in the Winnipeg *Free Press*, said that the controls program has very wide support and that it was the prospect of decontrols which had aroused apprehension. Well, Mr. Speaker, I outlined a few moments ago the way in which the Treasury Board proposes to proceed with regard to the public service. The green paper sets out the method by which we may proceed in relation to a wider spectrum. I guess that in the end the key word is co-operation. I do not think any one sector can do it alone. I also believe that, given this co-operation, there is no need for much of the apprehension which has been expressed.

I may say I am encouraged by various comments which have come to my attention such as statements made this week at the Canadian Gas Association meeting in Jasper which call into question some of the gloomy views expressed by hon. members opposite in this debate. At that meeting the President of the Conference Board of Canada is quoted as saying:

> There is a new attitude developing in Canada today that the gloom and doom of the last few years has passed its peak.

I was encouraged, also, to hear of a comment at the same meeting by Mr. Stevens, who has just taken over as head of the Manufacturers Association of Canada. He said:

> It appears that Canada is making the right economic and political decisions and will emerge from this period of adjustment as a stronger nation.

So in spite of the bombast and rhetoric of this debate there is support for the policies of the government, and I think it is a great deal more general than some of our critics in the last day or so would like to admit.

Mr. Stanfield: Would the minister permit a question? I do not think his time has expired. He has told us there has been a net gain of 5 per cent, on an average, in the real purchasing power of public servants. As well, the Minister of Finance (Mr. Macdonald) indicated last night there had been a substantial improvement in the position of working people across this country—he mentioned a similar figure. I should like to ask the minister where this improvement could have come from—how it could have been absorbed by the economy when the increase in productivity on a per capita basis was obviously far less?

Mr. Andras: The figures, of course, are a result of a calculation taking into account the cost of living and the wage settlements; the result is significantly more to the advantage of the workers to whom I have referred than previous and apparently higher increases in wages accompanied by a much lesser increase in the cost of living.

Mr. Stanfield: Might I ask the minister how he expects us to accept his suggestion that there has been a 5 per cent improvement in the position of the working man when there has been a far smaller increase in productivity on a per capita basis? Can he or the Minister of Finance explain how this could be possible?

Mr. Andras: I think it is obvious that if inflation climbs at a faster rate than wages there is constant chase and the reinjection of inflation, but if both taper down and there is a greater gain in wages than the increase in the inflation rate, the worker gains. I agree that the whole question of national productivity is relevant to this aspect but it does not necessarily form part of that calculation.

● (1550)

[*Translation*]

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, I welcome this opportunity to take part in this three-day debate brought about by the Conservative motion that the anti-inflation controls be ended at the end of June 1977. It is a privilege for me to bring my modest contribution to this debate which is very important for consumers and specially for those who are least able to defend themselves against inflationary pressures, such as the aged, the retired, the non-unionized wage-earners who receive only the minimum wage and others in similar circumstances.

It is difficult for me to understand why the opposition leader introduced such a motion at the present time when statistics show that the anti-inflation program, after 18 months of existence, has proven to be one of the most positive factors to check the price and wage increase rises we have experienced in the years 1974-75. What a strange attitude for the Progressive Conservatives to take by introducing this motion when a recent Gallup poll taken on May 4 last was showing that 70 per cent of Canadians support controls and 60 per cent of independent business concerns are against the removal of salary and price controls in 1977.

Mr. Speaker, it would be interesting to examine the attitude of the opposition these days, since it is neglecting an important legislative program now before the House to tackle a program which has already proved its efficiency and which has received the approval of the Canadian people. Does it want to divert public attention from recent Gallup polls on the popularity of political parties? Do they want us to forget the results of the recent by-elections? It could not be done better. Perhaps they want to forget the two last defections from their party, that is the members for Crowfoot (Mr. Horner) and for Hochelaga (Mr. Lavoie) who have joined the Liberal party. Without trying to be clever, I could add that before long, other members of the Progressive Conservative Party in Quebec and elsewhere will join this side of the House or will leave political life. It is unfortunate that he is not here, but I noted yesterday the hon. member for Joliette (Mr. La Salle) who was not very successful during the recent by-elections when he bit the dust. Fortunately the party held him back, because he too would have resigned—something he is well known for.

Finally, there seem to be various reasons and since the motion must be discussed, let us consider the facts. The Canadian people must not think that the fight against inflation is over, according to Mr. Gerald Bouey, Governor of the Bank of Canada. In the 1976 annual report of the Bank of Canada released last March 21, Mr. Bouey expresses the opinion that 1976 must be considered as the first episode of Canada's fight to get rid of inflationary attitudes and behaviour and to restore the internal economic balance necessary to our future wealth. The report reminds us that the relatively high inflation rate of costs and prices continues to be very dangerous for the health of our economy.

Over the last years, the average nominal income increase of employed people was much higher than in the United States and too high compared to Canada's wealth. Mr. Bouey finds that Canada has become a high production cost country. As long as this situation lasts, he adds, we cannot hope to establish the solid foundations which are essential to the creation of jobs on which our future wealth will rely. On the other hand, the high rate of inflation has seriously affected our competitive position on international markets, which has been reflected in considerable deficits in our foreign trade. As a matter of fact, the average hourly wages for workers in the manufacturing sector of the economy, as of January 1976, were: Canada: $5.03; U.S.A.: $4.80; Sweden: $4.67; West Germany: $3.72; Japan: $3.13; Great Britain: $2.84; and France: $2.19.

Over the nearly one and a half year the anti-inflation program has been in effect, inflation has regressed in Canada. Although we could argue endlessly about the relative part played by the anti-inflation guidelines and other factors, such as the stagnation of the economy, on the control of price increases up to now, the fact remains that all relevant guidelines indicate that the pressures exerted by wage and price increases have been reduced. One year after the introduction of this program, that is, from October 1975 to October 1976, the rise in the consumer price index was 6.2 per cent, which is clearly lower than the 10.6 per cent for the year before. We were very much encouraged by these results when we compared them with the rise of 8 per cent in CPI which we had forecast for October 1976.

What matters more is the fact that the rate of price increases for goods other than food and energy has clearly started slowing down. However, the last CPI report indicates that prices had increased by 6.7 per cent in February compared with a year ago, for food prices had been greatly affected by adverse weather conditions in southern United States. The anti-inflation program objective for the second year, a 6 per cent increase in the CPI until October 1977, remains a challenge. In 1975, according to Labour Canada, wage settlements have averaged an annual increase of more than 20 per cent during their first year of implementation. During the four quarters of 1976, the increase rate has fallen respectively to 16, 12.8, 13.1 and 9.9 per cent. Because of an even lower rate of increase in the consumer price index, the net income increase for Canadians has kept on.

The report on the first year of the Anti-Inflation Board, published in October 1976, pointed out in its survey of remuneration indicators that the transitional problems faced during the first months of the program had been dealt with and that the program was achieving its objective. The objective is to slow down the rate of wage increases while allowing for a real purchasing power increase for the average employee. Now, in the middle of the program's second year of operation, new progress has been realized to attain that objective.

Since the first months of operation of the program, the wage settlements submitted to the board came progressively nearer anti-inflation indicators, which shows public acceptance and compliance with them. It is obvious that the largest gap in relation to the indicators was found in the remuneration systems which have been substituted for those that came to an end before the implementation of the program on October 14, 1975, but were still under negotiation on that date.

The progress made so far through the AIB's income program are encouraging. The program's real rate of wage increases takes into account both the increases in line with the directives and automatically approved—

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think you will find that there have been discussions and that there would be agreement to suspending private members' hour today so that this debate can continue until five o'clock.

Mr. Kaplan: That is agreed, Mr. Speaker.

Mr. Baker (Grenville-Carleton): There is agreement on our side, Mr. Speaker.

The Acting Speaker (Mr. Ethier): There is a suggestion that private members' hour be waived and that we continue the discussion on the present motion. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is so ordered.

[*Translation*]

Mr. Yanakis: Thank you, Mr. Speaker, I resume:

—automatically approved by the AIB staff and the increases reflecting the decisions of the board as regard increases exceeding the directives. Those real increase rates, which started at an average of 13.4 per cent for cases settled before the program, then went down to 9.4 per cent during the first year of the program, and to 7 and 5.8 per cent for cases considered up to now during the second and third years of the program. As we are preparing to eliminate the controls and as we are getting closer to the 1980's, it is essential to assess our situation and our economic prospects.

As all other industrialized countries, Canada recently had to face the combined problems of inflation, unemployment and low growth. However we must not forget that Canadians did benefit from a significant increase, up to 5 per cent certain years, in their real per capita income. This increase was more rapid than that of any major accidental industrialized countries, and twice the average annual increase in the productivity per employee. That period witnessed a number of factors which were exceptionally favourable to Canada. First of all, while external influences added to our inflation problems, Canadians benefitted from a considerable improvement in the foreign exchange situation, the average price of their exports increasing much more rapidly than that of their imports. Secondly, Canada, over the whole period, was a major net exporter of energy, conditions being relatively favourable. Thirdly, thanks to a swifter increase in employment as compared with the population growth, and therefore a much higher proportion of Canadian families receiving two or three or even more pay cheques, the real income per capita increased significantly. Canada created employment for the major part of the labour force at an increasing rate, because of the considerable growth both in the population and the proportion of new workers.

Those favourable conditions could not last. There are limits to the amounts we can borrow abroad to sustain our present level of consumption. Since the international exchange profile is changing and developing countries keep on asking for a better distribution of the world wealth, we might have some problems to maintain favourable exchange conditions. Canada is definitively an importer of oil and in the short term may find itself in the same situation on the whole energy market. In order to realize our potential, we will have to adapt our economic structure. We should not expect too much from the economy either. Inflation is still a major impediment to the achievement of our collective and individual objectives.

Statistics show beyond any doubt that most Canadian workers are reasonably well off after the first year of the program. In spite of a definite slowdown, salaries and wages went up 10 per cent on average. At the same time, the consumer index increase was maintained below 6¼ per cent. The unprecedented low level of food prices, the positive effect of prices of the Canadian currency which did resist during most of 1976 and margin benefits being exceptionally low due to the net decline in commercial activities in Canada and in the world, have allowed for a real increase in family income, salaries and wages of some 3½ to 4½ per cent, which is much above the 2 per cent of the labour productivity increase.

● (1600)

Mr. Speaker, the first duty of the government is to create an atmosphere which will enable private industry to develop in all confidence and to create lasting and satisfactory employment for workers. The present policy tries to establish this atmosphere. The government knows also that specific action is necessary in some areas and among certain categories because of unemployment rates. Therefore they changed their priorities in a federal policy providing for budgetary restrictions in an endeavour to increase support to direct employment programs.

There are signs in the present situation and in the economic prospects in Canada that the next twelve months or so should be a proper time for decontrol. First, given the present underuse of material and human resources in Canada, and in

industrialized nations in general, there is little danger of having a new inflationary explosion because of decontrol.

Second, although we cannot put aside the possibility of stock shortages, for instance because of generally poor crops, an oil embargo or a serious breakdown in the trade of a number of basic products, the general conditions of food, industrial raw materials and energy resources supply do not allow us to foresee any major shortage during the next two years. World prices for food, industrial raw materials and energy will probably go up, but at best at a slow pace. It is hardly likely, however, that these products, within the next two years, will be the cause of a price surge similar to that experienced recently.

What is more important is that the inflationary psychosis seems to have been going down considerably since October 1975. The man in the street no longer expects two-digit price or wage increases. Newspapers do not report any more astronomical wage increases which were an invitation to other workers to do the same. According to surveys among industries and consumers, no more rapid price hike is expected. The reduction of the spiral of expectations can be explained by the recent improvements in the control of prices, as well as by the government undertaking to avoid a major increase in the cost of living, through the anti-inflation program.

Therefore, there is a need for a decontrol process which will ensure a steady decrease in the inflation rates and contribute to restore confidence in the future of our economy. This means that we must assess our economic prospects on a realistic basis and take our share of responsibility in the Canadian economic performance. The government has considered the part it could play during the post-control period and set a number of principles to establish the future direction of federal policies. Here are some of these principles: the best way to achieve the Canadian economic potentialities is to ensure a more efficient market economy.

In line with society's expectations, the government is firmly committed to the safeguard of personal freedom, equal opportunities and social fairness. Social policy must protect and improve our evolutive society built up by Canadians without leading to continued government expansion and ongoing erosion of personal freedom.

Our national potential cannot be developed without healthy, dynamic regions. Confederation benefited all Canadians, because the advantages of a larger nation promoted the growth of each and every region. However, remaining regional disparities are a major challenge to our political institutions. Canadians cannot accept those disparities. Federal and provincial authorities have taken a number of significant initiatives. The Department of Regional Economic Expansion is supporting long-term development efforts by the provinces.

Mr. Speaker, in addition to providing a consultation forum, an organization that would monitor economic conditions in respect of their impact on prices and costs would make a major contribution to the improvement of our economic performance. This view is shared both by provincial governments, and certain groups in the private sector, as evidenced by preliminary consultations. In time, the supervising body could exert a significant, positive influence on prices and revenues, provided its organizational features and objectivity maintained the required level of credibility.

In ending controls, our foremost consideration should be to prevent soaring prices and incomes, which would signal a return to the previous situation. The tangible results of the controls program, namely a much less rapid increase in costs and prices, must absolutely be preserved and reinforced. Finally, the de-control plan must take place in an orderly fashion. An important area in which the public and private sectors both carry the responsibility of economic performance is labour and management relations. If, indeed, it is the government's role to define the legislative and institutional framework in which labour and management may bargain, both sides must ensure that the system is allowed to work. However, in the last few years the level of confidence in labour-management relationship has constantly deteriorated. The degree of acceptance by public opinion of the increased frequency of strikes and lockouts as well as the various inconveniences and costs that go along with these, is on the wane.

Mr. Speaker, the government expects to raise a public debate on these issues and get some feedback. The increasing uncertainty regarding the date set for de-controls has made it necessary to come to a decision as soon as possible. Therefore, one should consider the possibility of releasing the timing set for de-control by the middle of this coming summer. This decision would take into account the debate and the various reactions generated by this document. Without further delay, the issues at stake should become the subject of a public debate where various comments could be made. Consultations will take place with businesses, workers and other interest groups. The government will also consult the provinces to find out whether during that period it would be necessary to call a new federal-provincial conference of finance ministers. The government is counting on the general participation of Canadians in this debate and will try to devise some ways to achieve that. The government plans on holding a meeting to set a multipartite panel of discussion so as to further the debate on more precise matters, such as the nature of those future mechanisms of consultation and to debate on what the post-control period will be before taking a decision on the timing that will be chosen for de-control.

Once the process and the timing of the de-control plan will have been announced, it will be necessary to resume our studies on the various measures to be taken in the post-control era. We hope that the study of the various consultation mechanisms will be sufficiently advanced to allow those mechanisms to play an important part in the preparation of the decisions to be taken and as to the very precise shape that will have such institutions as the monitoring body and the consultation panel that have been proposed as well as the way they will work during the post-control period.

Mr. Speaker, contrary to the expressed views of the opposition, the Liberal government was not afraid through this difficult period in our economy to face up to its responsibilities and to adopt policies that will enable us to solve our problems.

During the de-control and post-control period, we shall invite all Canadians to become involved in the shaping-up of the economic decisions upon which our progress will depend.

● (1610)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, it is probably no surprise that this motion has come before the House at this time. The only surprise might be that, having 15 sitting days before it was necessary to debate it, the government scheduled the motion rather more quickly than we expected. Of course that was provided for in the bill which introduced the controls program.

It should also come as no surprise that it was the official opposition that presented the motion yesterday since only this party has consistently voted against the government's controls program. It is true there were other proposals for controls, but it is this party that consistently said a long-term program of controls would be ineffective in curbing inflation.

It was the Prime Minister (Mr. Trudeau) who said we had wrestled inflation to the ground, and we know what happened to inflation rates after he said that. It was the government and the Prime Minister who said controls per se would not work. It was the official opposition that in 1973 perceived the great concern of Canadians at the rate of inflation that the country was subjected to because of the government's programs. In 1974 it was the official opposition that campaigned honestly on a program of controls, pointing out to the Canadian people where the government was taking them with its profligate spending and lack of restraint.

History has shown that the people were not ready for the program of controls that the then Leader of the Opposition (Mr. Stanfield) proposed. There were areas such as British Columbia, however, where people were willing to listen to the official opposition and take their medicine. They elected a majority of members to the House who explained why controls were necessary and why it was important for the government to take the responsible attitude on controls. But the Liberals said no. Then we had to wait for 14 months after the last election until changes began to manifest themselves.

While we cannot be sure, because it has never been said, we can ask ourselves where the former minister of finance and his leader differed on policy so greatly that the former minister was forced by his conscience to terminate not only his career as a minister but his career as a politician. We can blame him or we can blame the Prime Minister. Certainly we can blame the present government because it has had power in this country for too long. The Prime Minister has been in office for nine years, pulling the strings and trying to lay the blame on others because he has been unable to act.

It was the government that said in 1974 that controls would not work. It pointed to countries around the world and said controls did not work in the United States, the United Kingdom and a few other places. Just yesterday the Minister of Finance (Mr. Macdonald) said controls would be completely ineffective in controlling the price of imports. Certainly his

[Mr. Yanakis.]

kind of controls would be, because they have been ineffective in controlling inflation.

The latest figures, published on the day the petition of the official opposition was filed, show that for 1977 inflation has been running at an annual rate of 10½ per cent. That is a little lower than it was earlier, but still a long way from control of inflation. If we had adopted a short-term freeze in 1974, as the official opposition proposed in order to break the inflationary expectations, then we could have controlled the prices of imports. Importers are businessmen and planners; they do not buy for tomorrow at today's prices. It would have been easy to control the price of imports with a three-month freeze.

It is now a fact that the controls program itself has become inflationary. No longer does labour begin to bargain around a rate of 15 per cent expecting to settle for something below 10 per cent. The floor of labour negotiations is now at least 8 per cent. In the controls legislation 8 per cent was only the base; it could have been 10 per cent in certain circumstances, and even 12 per cent if a historical relationship could be shown.

We never had a freeze so we never had an opportunity to find out what short-term controls would have done. All the government has shown us is that long-term controls have not controlled inflation and have not operated to the benefit of the Canadian economy.

I want to refer to an article which appeared in a recent issue of the magazine *Business Week* regarding the Canadian economy. I shall quote a paragraph or so. Referring to the Canadian dollar and the troubles of the Canadian economy, it says:

● (1620)

Inflation, averaging more than 9 per cent annually in the past four years and still running at a 7.5 per cent annual rate, has pushed Canadian costs above those of the U.S. and other industrial countries. As a result, Canadian products are being priced out of international markets, Canadians are crossing the border to shop in the U.S., and the nation's balance of payments is plunging deeply into deficit . . .

Business investment, meanwhile, is being discouraged by shrinking profits and worries among businessmen about future growth prospects. And business and labour unions alike are chafing under federal wage and price controls.

The article goes on to say that in 1972 Canada ran a trade deficit of $4.8 billion in manufactured goods, but by last year the deficit had more than doubled, to $10.2 billion.

What has happened under our controls program? Canada is no longer capable of attracting the investment of Canadians or the investment of foreigners. Many of us can point to instances of Canadians investing in the United States, particularly in housing. Perhaps one cannot blame the Minister of Finance on this score directly. The Minister of State for Urban Affairs (Mr. Ouellet) complains about the lack of housing in Canada, but what does one find? One finds entrepreneurs, who would be willing in normal circumstances to provide housing for Canadians, taking their capital and expertise to the United States, there to build houses for Americans.

The article continues a little further along with these words:

Coiled around these problems—

Namely, the deficit and continued inflation.

—is a political crisis, the deepest in its 110 years of confederation, that is shaking the unity of Canada to its foundations. The ties that bind the 12 vast and disparate provinces and territories are being severely strained by French-speaking Quebec's drive for greater political and cultural autonomy and by demands of other provinces, especially Alberta, for greater decentralization of decision making.

We can lay the blame for every one of these difficulties at the feet of the present administration, if not at the feet of the Prime Minister.

Mr. Johnston: Clay feet.

Mr. Clarke: In the nine years of the Trudeau administration we have seen developed the worst economic crisis we have undergone for decades, if not ever, the worst unemployment Canada has ever known, and the most divisive feelings this country has experienced in its 110-year history. As I say, these difficulties can be laid at the feet of the government and its leader, the Prime Minister.

Last night the minister said inflation was under control and not rising greatly. He said last evening, as reported at page 6766 of *Hansard*:

. . . we can modify our own wage and salary increases, or modify, in the case of the business sector, the additional claims for profit.

Of course we can do that, but the government has not modified or restrained its own demands on the economy, and I wish it would. I do not have all the pertinent figures before me for bygone years but recall, according to the last table I saw, that government expenditures increased 16 per cent year over year in at least one instance. Every year, for the last four or five years, government expenditures have increases by at least that figure. In some years expenditure increases were up in the 23 per cent range. Mr. Speaker, we cannot expect people to restrain themselves, modify their wage or salary increases or modify their demand for profits, if the government will not restrain its own demands. Oh, it says it is doing it. But it has a way of modifying the figures to make it seem as if it is doing something in this regard.

Mr. Dionne (Northumberland-Miramichi): If we listened to you fellows, there would be no restraint at all, because you ask for a new program almost every day.

Mr. Clarke: Mr. Speaker, I heard the hon. member's remarks.

Mr. Baker (Grenville-Carleton): Such as they are.

Mr. Dionne (Northumberland-Miramichi): Such as they are—that comment applies to the hon. member's remarks.

Mr. Clarke: I shall try to put on record some ideas the opposition has put forward for solving the country's difficulties.

People see the government doing nothing and wonder what the opposition has to offer. During my past five years in the opposition, the opposition has offered a great deal, although sometimes it is hard to put the message across. Sometimes we have trouble making the government listen to us, or pay attention to our sound ideas. One need only remember the ideas the former leader of the opposition put forth—

Mr. Dionne (Northumberland-Miramichi): And what happened to him?

Mr. Clarke: —and how long it took the government to appropriate the germ of the idea and distort it into its own so-called program to control inflation.

Yesterday evening the Minister of Finance said in his speech, as reported on that same page of *Hansard*:

. . . average wage rates increased in 1976 at the rate of 10 per cent, and the consumer price index through that year increased at a rate of 6.5 per cent; therefore, there were real increases for the average working man of between 3 per cent and 4 per cent in the year.

The minister also referred to public opinion and what it thinks of the controls. I conclude that, obviously, the minister has not asked the average wage earner if he thinks his average increase of 10 per cent was able to keep up with the average increase in costs of 6.5 per cent. Obviously, wage rate increases have been somewhat depressed, and the floor put under wage increases by the government's controls program had to rise 10 per cent. The admission the other day of the Minister of Agriculture (Mr. Whelan) and of the Minister of Consumer and Corporate Affairs (Mr. Abbott) implied that a large measure of the reduction in costs, or reduction in the escalation rate of costs, was attributable to a lowering of food prices. Mr. Speaker, in no way has labour been catching up, and in no way have those on fixed incomes, or those with indexed pensions, been catching up with wage rates which have been paid in Canada recently.

The minister yesterday said that public opinion had said, "No, there is no demand in Canada for the removal of controls." He said, as reported in *Hansard*, page 6767:

We have had in Canada the phenomenon of rising popularity of the controls program, especially on the part of those who do not now have collective power. This fact shows up in the polls, it shows up in the personal contacts I have, and I know it is showing up in the contacts my colleagues have had as well in their own constituencies and throughout the country.

Obviously, the government has not been talking to the same people the opposition talk to—

Mr. Dionne (Northumberland-Miramichi): How do you know? You have not talked to our constituents.

Mr. Clarke: —in the constituencies, as I would point out to the noisy hon. member opposite. I submit that most Canadians want an end to contols. It is worth noting that at a worth-while conference in Toronto about one month ago business representatives of the investment community and labour, submitted their opinions on the controls program. There was no doubt that the controls program was unanimously disliked. The unanimous opinion of that group was that controls should end. Even the Minister of Finance has agreed in his more lucid moments that controls must end. It is simply a matter of when and how they should end.

● (1630)

The government has been unable to determine how and when it would like controls to end. It is true the legislation was written to continue until the end of December, 1978, but the minister has said perhaps they should be removed sooner than that.

The government suggested three ways of approaching decontrols. Yesterday in the minister's remarks he referred to two principal choices involved in the removal of controls. I do not know what happened to the third one between the time the paper was written and the speech was made. The first he said was the immediate simultaneous withdrawal of controls. The second was to phase out withdrawal of controls.

We on this side have always maintained that a sudden withdrawal is best because, after all, that is what is contained in the legislation. We have proposed an end at an earlier date than the end of December, 1978. However, the government has now decided that a sudden withdrawal of controls is not a desirable method of doing the job, even though it has been unable to explain how a delay in the removal of the controls until 16 or 18 months from now would be any easier than at this particular stage.

It was agreed by everyone at this conference that I attended and referred to earlier that controls should be removed, the sooner the better and the more suddenly the better. I should like to refer to some of the reasons why the different groups said that. Perhaps I should start with labour because that is the group whose opinion is most often tossed around.

Labour probably wants higher wages. After all, that is the duty of labour leaders. They are in a job for the same reason as business leaders, to increase the returns to that sector. Labour leaders understand that controls are damaging the economy of Canada. They understand that controls are hurting their own constituency, labour. They understand there will be no more jobs because there will be no more investment in Canada as long as we have controls.

I already referred to the investors who are seeking foreign fields for their capital. Investors can work with any set of rules any kind of government wants to give them. However, investors and business people must know what the rules are. They cannot go into a game, to quote what my leader said at that conference, not knowing what changes in the rules are going to happen overnight. They need to have something to go on, some confidence. The last thing this government has given them over the past nine years is confidence.

Confidence is necessary. Otherwise there would not be any investment. If there is not any investment, there will not be any new jobs. That is a simple equation. That is the way the economy works. It may be that the Prime Minister wants the economy to work in that way. From remarks he has made, one may have reason to doubt what his real objectives are.

I think that covers the reasons why business wants controls removed. I dealt with the labour unions. I think of the white collar worker. We have had complaints in the House this week about the ineffective application of the executive compensation

aspects of the anti-inflation rules. It seems all right for the top executives to get huge increases as long as the white collar workers do not get any. It is obvious the white collar worker wants a bite at the increasing apple, but he is not getting it under the present rules.

It might be worth while to look at who does not want controls removed. The minister talked about provincial governments. I think they are the only ones he referred to that do not want the controls program removed. Even my own province of British Columbia has said that it would institute a program of controls if the federal government got out of it. The federal government, with all respect, has not shown any sign of getting out of it. The only reason the provincial government in British Columbia said it would institute its own program is that it has a terribly serious labour problem in that province. Finally, yesterday the Minister of Finance made a proposal to enter into one step of decontrol. I will be very interested in hearing what the provincial government has to say when it hears about that step. It will probably agree with it.

Before I come back to that decontrol step, I want to talk about pensioners. The Minister of Finance very neatly neglected to talk about pensioners yesterday, and what they think about controls. It is true that some pensioners in Canada get an indexed pension. It can hardly be said that the indexing of the Canada Pension Plan, the old age pension, or even the guaranteed income supplement will be a joy to pensioners whose rents or taxes are going up at great rates and whose other costs are going up at rates faster than their pensions.

Coffee prices may be an example of something that has gone up by 300 per cent. Rents, because they are controlled in many provinces, now have a floor. Therefore they are guaranteed an increase of 8 per cent, 10 per cent, or whatever the floor happens to be. There is not a maximum but a minimum on rent controls.

What about pensioners who are on private pension plans or, worse still, invested in Government of Canada bonds to provide for their old age? Look at the return value on that notorious set of 3 per cent perpetual bonds in 1936 which have been extended and will now be called in 1996. That makes them a 60 year bond. The people will be long gone before their bonds are redeemed.

Mr. Johnston: It is known as Liberal bondage.

Mr. Clarke: Yesterday in his remarks the minister appeared as though he were reaching for manna from heaven. I want to quote the remarks of the Minister of Finance:

> To provide for greater certainty with the approach of decontrol, the government has therefore decided to propose amendments to the Anti-Inflation Act to deem these agreements to be amended in line with the AIB recommendation or order of the Administrator. An amending bill would be introduced to deal with this. In the same way, the law will make sure that profit restraints imposed, for example, by excess revenue orders, will be effective.

Second thoughts again. I am reminded of the initial imposition of the program where dividends were frozen, to the complete ignoring of the dependence of pensioners who had no other means than dividends to keep abreast of inflation. That

provision was later amended after second thoughts by this second thoughts government.

• (1640)

Hon. members opposite say that the opposition has not had any ideas or recommendations to put forward. We are the ones who had the policy and have been pushing the policy of controls and decontrols. Days before the Minister of Finance stood up in the House yesterday and announced what he was going to introduce by way of amendments to deal with agreements which had been amended in line with the AIB recommendations, the Leader of the Opposition (Mr. Clark), in a speech in Toronto, as well as in a speech in Montreal reported on Monday, June 13, which I am going to refer to, had stated what our policy was. He said that there were at least five items which his party would put into the decontrols program. The very first one is to respect judgments which have already been made by the Anti-Inflation Board limiting excessive wage or price increases. You can read that anyway you want, Mr. Speaker, but it comes to exactly what the minister said, namely, that agreements made outside the Anti-Inflation Board regulations would be required to be respected.

I cannot always expect the public to recognize what it is that the Leader of the Opposition says, particularly in my riding in British Columbia, because the article I am referring to was reported in the Vancouver *Sun* last Monday, June 13, on page 60. How can we expect anyone to undersand what it is that the official opposition, which is trying in spite of the efforts of the government to save the economy of Canada—

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

Mr. Lorne Nystrom (Yorkton-Melville): I thank the House for the enthusiastic applause.

Mr. Knowles (Winnipeg North Centre): We are unanimous.

Mr. Nystrom: We are a party which is solidly unified.

I rise to participate in this debate in support of the motion put forward by the Conservative party to end this particular controls program on June 30 of this year. I happen to think that it should have been ended earlier. The reason I say that is that I am not opposed to controls per se but I am opposed to the very unfair and inequitable program brought down by the government.

I want to spend my few moments today talking about some of this unfairness in very specific terms. The leader of my party mentioned in his remarks yesterday some of the aspects of the controls program and some of the options that we would rather see. Hopefully on Monday someone else will deal with other aspects of the program. I want to deal with some of the specific unfairness of the program which is before us, particularly as it concerns increases in executive compensation or salaries.

One executive received an increase in his salary last year of 70 per cent namely $60,363. It is an increase of that sort, Mr. Speaker, that makes this program very unfair. The same thing applies to company profits. We know that the salaries of workers have been held to increases of 8 per cent or 6 per cent. I have a list of about 50 companies with profit increases all higher than those allowed to the workers, the highest being 215 per cent. It is for reasons like that I oppose the anti-inflation legislation.

In commencing my remarks today I want to make it very clear that I am for controls, for a planned economy. But I am for one which is fair to everyone—workers, salary earners, profits, prices, bank interest and so on, one which will equally control all aspects of the economy. Unless we have that there should be no program at all. It must be fair to each and every one of us in society.

I should like to put on record some of the very unfair things which have been happening in this country since the controls program came into effect on October 15, 1975. First of all, ordinary working citizens are permitted a maximum salary increase of $2,400 a year. I have a list here of 51 executives in 26 companies who have received salary increases higher than the $2,400 limit and I think it would be worth-while to put some of these on the record.

The first company is McIntyre Mines Limited of Toronto. Mr. P. A. Crain their vice-president of operations, received a salary increase of $25,488 in 1976—

An hon. Member: That is more than you made.

Mr. Nystrom: That is right. That represents an increase of 51.3 per cent. I am excluding the expense allowance and so on that other MP's get.

The second company is Bow Valley Industries Limited of Calgary, in beautiful Tory Alberta. The president of the company, D. K. Seaman, had a salary increase last year of $35,000, or 70 per cent. B. J. Seaman, the vice-president, received a salary increase of $26,000, or 51.9 per cent. Let us not forget that ordinary workers are held to an increase of $2,400 under the law. Many of them cannot even get that. They have had their salary increases rolled back. Another vice-president of this company, D. R. Seaman, received a salary increase of $19,000, or 46.3 per cent. Then a guy named J. R. Harris, senior vice-president in the same company, had a salary increase of $20,000 last year, or 35.7 per cent. H. D. Binney, another senior vice-president, was treated really roughly; this guy only got a salary increase of $9,333 or 22.4 per cent.

I now move on to the third company—and here I move out of Tory Alberta into Tory Ontario—the Van Der Hout Associates Limited of Toronto. John B. Van Der Hout, an officer of the company, last year received a salary increase of $30,233, or 42.9 per cent.

The fourth company, also in Toronto, Rio Algom Mines Limited, gave the chairman of the company, Robert D. Armstrong, only a very small percentage increase, 3.5 per cent, but you will see in a moment, Mr. Speaker, why it was so small. His salary in 1975 was $223,566. It went up to $231,400, an increase

of $7,834, roughly triple what is supposed to be the maximum increase under the guidelines. As if that were not enough, the president of the company, George R. Albino, had a salary increase of 18 per cent; his salary was increased by $27,467. I get very angry when I go over these figures, Mr. Speaker, and know that the government expects the ordinary workers to tighten their belts. Here are company executives abusing and getting around the controls program through loopholes in the law.

The fifth company is Ashland Oil Canada Limited of Calgary. The chairman of the company, H. Earl Joudrie, received a salary increase of 10.5 per cent, or $12,450. The president of that company, Vernon Van Sant, Jr., had a salary increase of 8.2 per cent, or $8,700.

● (1650)

Turning to the sixth company, Pacific Petroleum Ltd. of Calgary, the president, L. M. Rasmussen, had a salary increase of $21,455, which is 13.6 per cent; the executive vice-president, A. M. McIntosh, had a salary increase of $30,372 which is 42.8 per cent. That was an increase for a man who was already receiving a salary of $71,030 before it was increased to $101,402 last year under the program of the Minister of Finance (Mr. Macdonald). Next is the senior vice-president, W. H. Tye, who had a salary increase of $8,533, which is 9.2 per cent, bringing his salary up to $100,578; and then Kelly H. Gibson, a director of the company, had an increase of $14,227, which is 11.1 per cent. He was a very poor man who only earned $127,917, and his salary for last year was $142,144. Those salary increases are a lot higher than the wages of my constituents, which is not just, as far as I am concerned.

The seventh company I should like to refer to is Aquitaine Co. of Canada in Calgary. The president of that company is Mr. Jacques Payah. His salary increase was $15,570, which is 20.2 per cent, bringing his salary from $76,946 to $92,516.

Quebecor Inc. of Montreal is the eighth company. The executive vice-president is Pierre Gauvreau. He had an increase of $10,110 in his salary, which is 18.9 per cent.

The ninth company is Dome Petroleum Ltd. of Calgary. The president, W. E. Richards, had a salary increase of $5,757, which is 6 per cent, bringing his salary from $95,169 up to $100,926.

The tenth company is Home Oil Co. Ltd. The president is R. F. Phillips. His salary increase last year was $3,608, which is 4.2 per cent. He is a poor fellow whose salary was increased from $85,250 to $88,858. The executive vice-president of that company, M. P. Paulson, had a salary increase of $3,400, which is 4.9 per cent.

Chieftain Development Co. Ltd. of Edmonton is the eleventh company. The president is Stanley A. Milner. He received a salary increase of $5,593, which is 8.5 per cent. The vice-president is Gerald W. Youell. He received a salary increase of $3,598, which is 8.7 per cent.

[Mr. Nystrom.]

The twelfth company is Ranger Oil (Canada) Ltd. whose president is John Pierce—

An hon. Member: He is reading the phone book.

Mr. Nystrom: For the hon. member's information, I am reading a list of people who had salary increases last year of over $2,400 despite the controls program of the Government of Canada.

Mr. Stevens: We have already made that point twice.

Mr. Nystrom: The controls program limited salaries of Canadians to an increase under $2,400.

Mr. Stevens: You are going to vote with us, then?

Mr. Nystrom: Yes, I will.

Mr. Stevens: Good.

Some hon. Members: Hear, hear!

Mr. Nystrom: I think it is useful to put on the record some concrete evidence of the inequities in the program brought down by the Minister of Finance.

When the hon. member for York-Simcoe (Mr. Stevens) interrupted me, I was referring to Ranger Oil (Canada) Ltd. The president of that company is John Pierce who had a salary increase of $6,252, which is 6.6 per cent. That increased his salary from $94,748 to $101,000.

The thirteenth company is Sun Lite Oil Co. Ltd. The president, Edwin C. James, had a salary increase last year of $5,000, which is 9.7 per cent; and the vice-president, Donald E. Hockaday, had a salary increase of $5,000, which is also 9.7 per cent.

Scurry-Rainbow Oil Ltd. of Calgary is the fourteenth company. F. C. Finn, the vice-president of that company, had a salary increase of $3,050, which is 7.5 per cent.

The fifteenth company is Westburne Petroleum Services Ltd. The president, Walter S. Zaruby, had a salary increase of $12,000, which is 17.2 per cent.

We see no justice whatsoever between the wealthy in our society and the ordinary citizen. That reflects the priorities of the Liberal government sitting across the way.

To continue on, the sixteenth company is Placer Developments Ltd. of Vancouver. The chairman of that company, Ross G. Duthie, had a salary increase of $12,458, which is 14.5 per cent. Most of my old age pensioners do not receive that in two years.

The seventeenth company is Norcen Energy Resources Ltd. in Toronto. The president is Edward Battle. He received a salary increase of $3,100, which is 2.6 per cent.

Now I would like to turn to some of the large ones. The eighteenth company is Imperial Oil Ltd. of Toronto. The president and chairman of that company, John Armstrong, had a salary in 1975 of $234,333. To be fair his salary should

be rolled back, but instead it was increased to $251,600, which was an increase of $17,267 or 7.4 per cent.

Mr. Johnston: Where was the AIB?

Mr. Nystrom: As the hon. member says, where were they? Where was the Minister of Finance when John Armstrong, the president of Imperial Oil, had his salary go up to over one quarter of a million dollars? As if that was not good enough, the executive vice-president, James G. Livingstone, had his salary increased to $145,000, which is an increase of $17,967, or 14 per cent.

An hon. Member: Are you against the amount or the money?

Mr. Nystrom: I am against the increase. It is interesting to note that one Liberal does not seem to get the point. It is very unfair that these corporate executives have received huge salary increases while ordinary Canadians have had their salaries rolled back.

Mr. Knowles (Winnipeg North Centre): The original amounts were too large, in the first place.

Mr. Nystrom: If the hon. member from southern Ontario wants me to reread the list, I can. I would be willing to do that in order to make my point clearer. I really do not think I have the time, but I was dealing with Imperial Oil—

An hon. Member: What have you got against the size?

Mr. Nystrom: I am against the size. I do not think the president of Imperial Oil is worth $251,600. Does the hon. member really think the president of that company is worth that amount of money? If that is the case, I invite that member to get up on his feet and say so. I am sure his constituents would be interested to know that. Is he in favour of that man receiving an increase of $17,267 in 1976, despite his huge salary?

Returning to the eighteenth company, the executive vice-president of Imperial Oil is a man by the name of Donald K. McIvor. He received a salary increase of $18,013, which is 16 per cent. Perhaps all these gentlemen have Liberal memberships. His increase brought his salary up from $112,987 to $131,000 per annum. This is under controls. What is going to happen when the controls program ends?

The nineteenth company is Kaiser Resources Ltd. The executive vice-president, Robert McPhail, received an increase of $22,059, which is 21.4 per cent. I should like to finish dealing with this company, if I may. The vice-president, Howard Cadinha—

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock, this House stands adjourned until Monday, June 20, 1977, at 11 o'clock a.m.

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

HOUSE OF COMMONS

Monday, June 20, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House proceeded to the consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: There are some 33 report stage motions, and it has not been possible for me to survey all of them to determine whether or not there are any procedural concerns or, in any case, to attempt to group them for debate. For the moment, I have examined six such motions which I anticipated would keep the House busy long enough to give me an opportunity to examine the other 27 motions.

Of the first six motions, motion No. 1 gives me some concern about introducing into the clause which it seeks to amend a concept which is somewhat in respect of provincial consultation and, therefore, may be going beyond the scope of the clause which the motion seeks to amend. In a moment I will hear argument from the hon. member for Hamilton West (Mr. Alexander) in whose name that motion stands, and any other hon. member who wants to argue the procedural question.

Motions Nos. 2 to 6 appear to be procedurally acceptable. Motions Nos. 2 and 3 could be grouped for discussion but would have to be voted separately. Motion No. 4 would be debated and voted on and separately. Motions Nos. 5 and 6 would be grouped for debate and voted on separately. If there is no comment or discussion on that, I would hope that that business would keep the House occupied for a short time.

In respect to the procedural questions on motion No. 1, I recognize the hon. member for Hamilton West (Mr. Alexander).

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 1:

That Bill C-27, An act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 5 by adding immediately after line 42 at page 2, the following new subclauses:

"(3) the minister shall consult with the provinces respecting the measures to be undertaken to facilitate the formulation, coordination and implementation of unemployment insurance and manpower policies and programs.

(4) The minister, with the approval of the governor in council may enter into an agreement with any province or group of provinces for the purpose of facilitating the formulation, coordination and implementation of unemployment insurance and manpower policies and programs."

● (1110)

He said: Mr. Speaker, one now realizes how difficult it is for members of the opposition to become involved in significant debate. As I understand it, Bill C-27, which comprises amendments to the Unemployment Insurance Act, was reported back to the House on Wednesday last. At that time one had no idea when the bill would be debated. Of course, it was up to our House leader on this side to ask the government House leader of the day, being the Postmaster General (Mr. Blais), what was the business for the following week. Lo and behold, we find the bill being debated this morning at 11 o'clock.

That is fine, Mr. Speaker, provided report stage reveals no amendments. But the minister himself has tabled at least ten amendments, some of them calling upon the Governor General since the expenditure of money is involved vis-à-vis the extended benefit period of from ten to 14 weeks. In addition to that, we in the Progressive Conservative caucus wanted to put down some amendments, and so did members of the NDP and the Social Credit party.

We now find ourselves in this difficult situation. We had to run like the very devil on Friday, firstly to acquire a copy of Bill C-27 as reported. I believe the bill itself as amended was not available to members until Friday. I know my hon. friends in the NDP will check me if I am wrong on that. Then, when we received the bill as amended, we had to gather our wits together and run helter-skelter around the place to get the necessary material and background to bring in some necessary amendments. We all scratched our heads and were able to do so, but the unfortunate thing, Mr. Speaker, is that you, yourself, on your own admission, did not have enough time to look at the amendments to see whether they were procedurally correct.

I am not blaming you for that, sir, because you have to follow the procedure that we set down for you. I blame the minister who wants to ram this bill through without giving proper opportunity to members to know what the bill is all about. Now that we are coming closer to the end of the month

there is one thing that we on this side will not accept, and that is any ramrodding of bills.

So there is the difficulty, Mr. Speaker. We do not know what the amendments are all about. We see them all in package form this morning on the order paper. It was only because we had some extra staff, for which we extend some little thanks to the government, that we could put these people to work for us and ask them to find out what the NDP and the Social Credit party were doing. We had some idea of what the government was doing, thank goodness, or we would have been in an awful state this morning. I want to put this matter on the record because I feel it is extremely important. Your Honour is embarrassed—I can say that on your behalf—because we are now faced with 33 amendments.

Mr. MacFarlane: He does not look embarrassed.

Mr. Alexander: As I was saying, Mr. Speaker, you are embarrassed. Never mind what the dumb-dumbs on the other side say; they have no idea what this bill is all about. They just like to put a few words in because it is almost time to go home for the summer recess so they can start mending their own fences. As I was saying, there are 33 amendments placed before the House, if I am not mistaken, by the combined parties, together with six or seven recommendations under Standing Order 75(6) since the government wants to spend money. Having said that, my amendment No. 1 is extremely simple.

Mr. MacFarlane: Now you are embarrassed.

Mr. Alexander: Let me read it so that my hon. friend from Hamilton Mountain (Mr. MacFarlane), who is government whip and a member of parliament temporarily, will understand what is going on around here. My amendment is in line with the new Unemployment Insurance Act which indicates the powers, duties and functions of the minister which are extended to include matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada relating to the development and utilization of labour market resources in Canada, employment services, unemployment insurance and immigration.

Under clause 109 of the new Immigration Act, which is Bill C-24, the minister introduces a new procedure whereby he is prepared to consult with the provinces on immigration. I have questioned the minister and written to all the provincial labour ministers involved, and all I have done is try to bring some credibility to the measure in terms of government plans in regard to unemployment insurance and manpower. My amendment adds two clauses, the first of which is:

(3) the minister shall consult with the provinces respecting the measures to be undertaken to facilitate the formulation, co-ordination and implementation of unemployment insurance and manpower policies and programs.

The second provides:

(4) the minister, with the approval of the governor in council may enter into an agreement with any province or group of provinces for the purpose of facilitating the formulation, co-ordination and implementation of unemployment insurance and manpower policies and programs.

If the minister had any gumption he would say yes, the hon. member for Hamilton West has a point. The point that I am making is that this party will not accept any approach that brings about confrontation with the provinces. We want a policy of consultation and co-operation; that is the essence of the matter. The minister said in committee that that is what we have now. I want to tell him that the letters which have been written and the replies received indicate there is something to be desired in the approach taken by the federal government to the provinces. Consultation is limited, if it exists at all. There is limited co-operation. This is why we have a terrible problem in regard to national unity at the present time. There has been no concrete evidence of any meaningful consultation or co-operation with the provinces. As a result of the tunnel-vision of this government, one province has now elected a separatist government.

Your Honour may think this amendment goes beyond the scope of this bill, but if Your Honour reads the bill in its entirety, as I know you have, it speaks of consultation with the provinces by implication. The minister even adopted a flexible approach to unemployment insurance benefits because we were concerned about the disparities which exist between the various regions of this country. But we are sick and tired of the approach taken by the government which leads to confrontation rather than consultation and co-operation.

The minister will say that we already have consultation, Mr. Speaker, but his consultation goes something like this: there will be option one, option two and option three. The minister will say, "We are going to support option one. What do you think?" I say that is not consultation or co-operation; it is blackmail. The government tells the provinces what it is going to do, that of the three options, option one is the most feasible, viable and acceptable; but given the fact that the provinces are part of this great confederation, they are occasionally given the opportunity to have a little chat with the government. He has never given them any credit whatsoever in terms of bringing the provinces into the consultative process.

● (1120)

In short, all I am doing is putting in writing the legislative authority, something which the minister is doing right now. The amendment is not taking away anything. It says that he shall consult. If one wanted to be really smart around here, one could say that to consult means very little. But at least it is a step in the right direction. They are consulting now. Also, they are entering into agreements with the provinces regarding unemployment insurance and manpower.

Let me explain what I put in this amendment. Under clause 41, the government is bringing in three different processes entitled developmental use of unemployment insurance fund, job training, job creation and work sharing. The provinces are extremely concerned that the government will bring in these ad hoc approaches to unemployment without thorough and reasonable consultation with them. I am registering their

concern in this amendment. I am registering the fact that the provinces make up a part of the whole. I am registering concern about the fact that, as I have been hearing throughout my short tenure in office here, the provinces have been shafted by the government regarding federalism. I want to come to grips with this matter. We are not spending money here, and we are not doing anything that the minister has not done before.

I see you are about to rise, Mr. Speaker. Let me just say that I hope I have convinced the minister, and that he, in his wisdom and knowledge that this is the proper and correct motion in terms of trying to put in writing what he is already doing, will come to that conclusion and say that he is thankful to the opposition for having the forthrightness, wisdom and experience to bring in an amendment such as this one for the edification of hon. members.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Hamilton West (Mr. Alexander) was allowed some leeway with regard to his general observations on the intent of the proposed motion. The question before the House is, of course, a procedural one as to whether or not the introduction into clause 5, which gives the minister the authority which he requires to operate in the capacities anticipated in the statute, of an obligation upon the minister to consult with the provinces before the establishment of programs is procedurally correct. I see the hon. member for Nickel Belt (Mr. Rodriguez) is seeking the floor. If it is on the procedural question, I will hear him.

Mr. John Rodriguez (Nickel Belt): In your original remarks when you dealt with this amendment, Mr. Speaker, you said you felt it introduced something new that was not already there in the clause. Indeed, we were well aware of the fact that there was nothing in effect with respect to consultation with the provinces. The government was very well aware of it when we dealt with the bill in committee and when it introduced in the House an amendment changing the minimum attachment period from 8 weeks to 12 weeks. Then the government grabbed its skirts, ran out and brought in its original approach to the minimum attachment period.

In effect, there was no consultation with the provinces when the government decided to change the attachment period from 8 weeks to 12 weeks. There was a hurried consultation after the fact so as to get the government off the horns of the dilemma when Liberal backbenchers from Atlantic Canada started their revolt against the change from 8 weeks to 12 weeks. I think there was more consultation with the Liberal backbench members from Atlantic Canada than meaningful consultation with the provinces regarding the effect on their welfare programs of the change from an 8 weeks to 12 weeks minimum attachment period.

Quite frankly, the amendments themselves are quite meaningless. Who is not in favour of consultation? Surely it is only logical that there should be consultation. Our party has no objection to consulting. One of the things we hear today in Canada with regard to the unity question is that we should have a closer relationship with the provinces, that we should draw them in and have meaningful consultations with them. As I say, we have no objection to that. The amendment proposes consultation, and if there is one thing the government needs, it is to consult more with those who will be affected by the legislation which they intend to bring before the House.

The minister consistently told us in committee that he had been consulting and these amendments were the result of his consultations. So in effect he has admitted that there is nothing wrong with the amendment proposed by my colleague, the hon. member for Hamilton West (Mr. Alexander). Therefore, I see the amendment as being germane. It puts into writing what the minister said in committee and outside committee with regard to the close relationship with the provinces respecting manpower training centres.

The minister was telling us how much consultation, cohesion and interaction there is between manpower training programs and provincial programs for unemployment. So, in effect, I see this amendment as being very germane to the whole question. If the federal government intends to implement manpower programs, there should be meaningful consultation. Indeed, it is only common sense that the government should consult with the provinces and their educational authorities. Right now there is consultation with the provincial departments of education and local government authorities with respect to manpower programs so far as community colleges are concerned and the kinds of programs that are being offered by those institutions. So there is consultation. I do not see anything new about this. I think there is certainly a place in this clause for such an amendment calling on the minister to put his action where his mouth is.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to speak briefly on the procedural aspect. I cannot add to the eloquence of my friend, the hon. member for Hamilton West (Mr. Alexander) with respect to the purpose of the amendment. I gather there is some question in your mind as to the scope of the amendment and whether, having regard to the nature of the bill and the parameters set forth by the legislation, the amendment is in order. Bearing in mind that the amendment puts a requirement on the minister to consult with the provinces and to enter into agreements with any province or group, and the fact that it is widely assumed in the country that all the bill does is to deal with the rights of people and methods by which they may acquire certain rights to unemployment insurance, I think it should be pointed out that the bill goes far beyond that.

The essence of the bill, as set forth in its preamble, is to establish a department of employment and immigration, the Canada employment and immigration commission and the Canada employment and immigration advisory council, and to amend the Unemployment Insurance Act. The main purpose is the establishment of a department of government and agencies within the department. Clause 3 establishes that. Clause 4 sets up the appointment of a deputy minister and an associate

deputy minister. Clause 5 sets out the powers, duties and functions of the minister.

● (1130)

Clause 5(1)(a) establishes the function of developing and utilizing labour market resources in Canada. These are not unusual things. But there is power in the statute to delegate certain of the functions of the minister in order to operate the department, whether that is done here or somewhere else. There is no geographical limitation in the bill. In fact, the indication is that the bill will operate across the country. The thrust of the bill and the government's approach to this matter, after some changes of heart, is that it is conceivable there will be districts established where certain rules will apply, at least for a temporary period, and these rules might be different in district A, for instance, as opposed to district B. The fact that the bill establishes differences based upon areas of the country designated in the method that the minister has indicated, to my mind leaves open, in a procedural sense at least, the implication—and I suggest it is stronger than that—of consultation between the department, other levels of government and other bodies and agencies concerned with employment.

The amendments which have been put down at report stage by the hon. member for Hamilton West deal explicitly with what is already, by the nature and scope of the bill, implicit in the bill. For that reason—and that is the only contribution I have to make, at least on amendment No. 1—I ask, Mr. Speaker, that you look at this from a procedural point of view, and with respect I say that this amendment ought to be found in order. Certainly it is not—and this is beyond the mere procedural point—out of order in terms of the present method and scope of the operations of the department in any event if we are to believe what the department tells us about the way it operates. That merely buttresses the procedural point. We want to express explicitly what is implicit in the bill. That is true of the clauses I have read into the record, and if we go further the same implications apply. On that ground, I submit that the amendment is in order.

Mr. Arnold Malone (Battle River): Mr. Speaker, I would like to add a few comments on some of the procedural aspects of this amendment. It ought to be very clear that all the amendment of the hon. member for Hamilton West (Mr. Alexander) does is enshrine in legislation the intent of the government as it was expressed in the committee. When we consider this matter in the context of federal-provincial relationships, one distinguishing fact is that there are areas of co-operation and areas of separation of power. For example, if this amendment dealt with national defence, external affairs or something relating to CIDA, it might be out of order because those matters are dealt with specifically by the federal government. However, in every province of Canada there are departments of labour or departments dealing with matters related to employment.

Traditionally, there have been interrelationships between federal and provincial governments. While we have had federal departments of manpower and labour, there have also been provincial departments and the level of consultation has not been as satisfactory as we would have liked it to be. Therefore, this amendment is being proposed. I could read into the record letters from various provincial ministers and groups which state that consultation is unsatisfactory at the present time, but I will not take the time to do so.

I just point out that the provinces of Alberta, New Brunswick and Saskatchewan claim that while there may be some attempt at consultation, the fact is that the level of consultation is unsatisfactory and the provinces require more. I have detailed information before me setting this out. We have a situation where both the federal government and the provincial governments are involved in implementing manpower and labour programs and for seeing to the maintenance of those programs. But it is requested that more consultation take place. This amendment simply enshrines in legislation that which the minister says he wants to do and which the department says it is already doing. But the provincial governments say that the level of consultation is not adequate.

Surely, if the minister is going to stand on the kind of verbiage he gave us in committee, he himself should want to support the kind of recommendation that is being put forward by the hon. member for Hamilton West, because the amendment sets forth a position the minister took in committee. If he wants to be consistent, he might as well indicate that, here, in this House. We object to trapdoor legislation which has some 33 amendments. Those amendments were not brought about by full consultation between parliament and the government, and all we are indicating is that if the government cannot consult with parliament, it is certainly not capable of consulting with the provinces.

We hope this amendment goes through. We hope it is found procedurally acceptable so that we can enshrine in legislation something which would be acceptable not only to the federal government of the day but also to all the provinces, because a number of them are on record as saying that the situation at present is unsatisfactory.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, bearing in mind the many letters received from our electors dealing with this bill, which to our mind is clearly detrimental to Canadian workers, specially during the high unemployment period we are now going through, the like of which we have not seen since 1930, and here I am thinking specially of the province of Quebec where unemployment is rather endemic and where employment lasts for about six to ten weeks, which of course places that category of workers at a disadvantage, on behalf of my party and all Canadian workers, we support the motion of the hon. member for Hamilton West (Mr. Alexander) to the effect that amendment No. 30 should be discussed further to allow every group to express itself more freely and pass that bill, though we are against changes which would allow each and everyone to say what he thinks.

[*English*]

Mr. Speaker: Order. Of course, the question—

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, as you have indicated, the comments have gone a little beyond the procedural aspects of this particular clause, and I think it is appropriate that we deal primarily with procedural aspects since we have asked the Chair for guidance. I think, Mr. Speaker, that you are right on, and that this amendment goes beyond the scope of what is provided in clause 5. This clause spells out in clear terms that the powers and duties of the minister extend to and include all matters over which the parliament of Canada has jurisdiction not by law assigned to any other department. I think subclauses (3) and (4) of this amendment go beyond the scope of the section. I shall not go into the merits of them at the present time except to say that as far as subclause (4) is concerned, I have no particular difficulty. If Your Honour should find that it does go beyond the scope, and is prepared to accept subclause (4), I would have no problem. Later, if Your Honour should decide it is within the scope, I shall argue the merits of the section.

● (1140)

I think it is fair to comment that although we are in a position where we have many amendments, almost without exception the amendments before the House, and certainly the government's amendments, were known to the opposition. I tabled the actual wording of them so that this information would be available to members of the opposition. The hon. member for Hamilton West (Mr. Alexander) is prepared to concede that. I do not think we on the government side are unduly surprised by most of the amendments moved by the opposition, because they indicated during debate what they would be proposing. I think, rather than being embarrassed, that through the kind of competence Your Honour has displayed, what needs to be done has been done in that we will deal with five or six sections at the beginning and there will be time later to deal with the remainder.

There is no intention on the part of the government to ram these amendments through the House. Given the fact that members on both sides of the House hope not to sit throughout the summer, it seems to me that the earlier we could get through report stage of the bill and deal with the amendments, the better we would serve the people who are meant to be served by the legislation.

I have one other comment regarding consultation, Mr. Speaker. Even the hon. member for Battle River (Mr. Malone), who spoke last, indicated that the letters he receives show there has been consultation. I hardly think there is any government that would not like more consultation. But it is a two-way street. I have never received a letter from that particular hon. member or any other asking me about the consultation provided by the provinces when they initiate new programs dealing with manpower. To be fair, I think we should look into that area, too. The co-operation I have had from the provinces has been excellent, but that is not to say it could not have been better, as no doubt our own could. It does not make the case, however, that there has been no consultation other than to say that more could have been done.

In so far as the amendment is concerned, on a procedural basis I think it goes beyond the scope. In the interests of compromise, however, I would be prepared to accept subclause (4), which I assume in redoing it would read as subclause (3):

the minister, with the approval of the governor in council may enter—

Mr. Speaker: The hon. minister has put forward the suggestion that hon. members might have time to explore this matter as the debate unfolds. I seek only to make a ruling with respect to the amendment as it is presented to me. If there is some agreement that might be explored, it could be presented to the Chair later. At the moment I have regard to the text of motion No. 1 as I have it before me, and the clear and well-established rule cited in May's nineteenth edition at page 521. It is well known of course, as indicated there, that an amendment is out of order if it goes beyond the scope of the clause which it seeks to amend. It is not even a question of its going beyond the scope of the general intent of the bill. That is another problem. An amendment to a particular clause must have relevance to the clause it seeks to amend, as well as to the bill in general. It, therefore, does not become a question of whether consultation—which is the basic thrust of the motion—is a good or bad idea within the framework of the piece of legislation with which we are dealing.

What the Chair has to decide is whether mandatory consultation by the minister with the provinces before implementation of a program is a new concept in respect of this particular clause. Reading the clause, one would have to come to the conclusion that the clause itself sets out the general powers the minister must have in order to assure responsibility under the legislation. The amendment would seek to introduce into that clause, not the powers of the minister but an obligation to consult with the provinces prior to the implementation of any program, according to subclause (3) of the amendment. I cannot help but feel that this amendment introduces into the general authority section of the minister an entirely new concept that was not contained or envisaged in the original. The idea of consultation, voluntary or mandatory, or consultation after authority from the governor in council, the power of the minister to enter into agreements which is envisaged in another section of the amendment, is one which I am sure will surface again in another part of the act and can be explored at that time in the way suggested by the minister.

I must find on technical grounds that motion No. 1 goes beyond the scope of clause 5 and, therefore, is out of order.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, we on this side of the House are prepared to accept half a loaf rather than no loaf at all. I can now say that I appreciate the position the minister has put forward. At the same time, however, I would ask that the necessary consultations take place between the House leaders to see that the suggestion is discussed. With all due respect, Mr. Speaker, this House is its own master. I accept Your Honour's ruling, but the minister indicated to the Chair and to the House that he has some reservations with respect to the first part of motion No. 1. In keeping with the spirit of co-operation that usually exists in

this House, however, he has indicated he is prepared to accept or to find no fault with the last part of the motion, so I hope the House leaders can get together on the suggestion of the minister. Mr. Speaker, you have indicated that my motion No. 2—

Mr. Speaker: Order please. The motion has not been formally called.

Mr. Lincoln M. Alexander (Hamilton West) moved motion No 2:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be amended in clause 21 by striking out line 35 at page 8 and substituting the following therefor:

"ister extend and the minister shall cause any reports related thereto to be laid before parliament within 30 days after the receipt thereof or if parliament is not then sitting on any of the first 30 days next thereafter that parliament is sitting."

Mr. Speaker: Order, please. I have indicated that motions Nos. 2 and 3 would be grouped together for debate, but would be voted on separately. Therefore, perhaps I can simply call motion No. 3 at the same time and direct comment to be made on both motions at the same time, with the understanding that they will be voted on separately.

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 3:

That Bill C-27, and act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 23 by striking out line 9 at page 9 and substituting the following therefor:

"necessary to carry out its duties provided that without restricting the generality of the foregoing it shall meet at least once a year and minutes shall be recorded of all formal meetings."

He said: Mr. Speaker, I will speak on motions Nos. 2 and 3 at the same time. Through motion No. 2 we are now setting up what is called the Canada Employment and Immigration Advisory Council. The clause to which my motion refers is very simple. It reads as follows:

21(1) It is the function of the council to advise the minister on all to which the powers, duties and functions of the minister extend.

At this time I want to refer to the CMA brief only. What I am attempting to do with this particular amendment is set out as follows:

—and the minister shall cause any reports related thereto to be laid before parliament within 30 days after the receipt thereof or if parliament is not then sitting on any of the first 30 days next thereafter that parliament is sitting.

As I said, all we are talking about is freedom of information. We must give credit to our good friend, the hon. member for Peace River (Mr. Baldwin) who has been a champion in this regard. As the hon. member has so often said, governments do not want the public to know how public money is spent.

[Mr. Alexander.]

• (1150)

An advisory council is to be set up. Actually, it is a somewhat expanded council. Mr. Speaker, really I am not speaking about the report the council must file at the end of the year. That is a statutory matter. It must advise the minister on certain statutory matters. I am not talking about that. I am talking about the public's right to know: the public's right to information. Suppose some questions concerning harassment, overzealousness, abuse, etc., arise; or suppose the minister wants to know if certain provisions of the act are a disincentive to work, or an incentive. Then the council would be asked to give its advice and report to the minister. Such questions have nothing to do with national security, subversive activity or civil rights. Such questions, basically, relate to how well the legislation is working, and the council reports to the minister on these matters. As I say, really, we are talking about freedom of information and the public's right to know.

The Canadian Manufacturers' Association submitted a brief in February 1977, to the Standing Committee on Labour, Manpower and Immigration. As you know, sir, the CMA had representation on the former council and unquestionably will be included on the one to be established. Labour representatives will also be on the council, as will government appointees. When the CMA is concerned about the public's right to know, I understand it speaks both for labour and management. In this regard I shall read section 53 of the brief entitled "The Public's Right to Know". The section reads:

If the advisory council is to have an effective involvement in policy-making, beyond acting as a sounding board but short of assuming decision-making powers which can only reside in the government itself, one key to effectiveness lies in the right of the public to know what the advisory council recommends from time to time and how the government has responded to those recommendations.

As I said, the CMA had representations on the advisory council. In making this representation concerning the public's right to know, I understand the association is speaking on its own behalf and that of labour. I continue quoting from the brief. Section 54 reads:

The council should have considerable latitude in determining its own procedures and methods of operating in relation to such matters as when or if it conducts public hearings, the use of outside expert advice and venue of meetings beyond those required by the act. We note with satisfaction that an annual report of the council's activities will be tabled by the minister in the House of Commons and therefore become a matter of public knowledge and record.

Section 55 reads:

However, the association believes we should have more ambitious hopes for the role which the council could play and for the example it could set for other advisory or consultative bodies in assisting in the development of social policy for Canada's benefit.

Section 56 of the brief is entitled "The Council's 'Right to Know' ". It reads:

The public's right to know about the council's activities and recommendations would be of little value if the council itself were not to have reasonable access to information from the government and in particular from the department of employment and immigration and the minister. Bill C-27 provides the minister with discretionary authority in this regard. This right of the council should not extend to draft legislation or other information which could jeopardize Canada's national security.

Those parts of the brief contain the gist of motion No. 2 which has to do with freedom of information and the public's right to know. Canadians are becoming ever more concerned about the way governments act and spend money, most of the time in secret. I suggest it is time to include in all legislation some provision saying that unless there is good reason to keep government action secret, governments should work in the open without the secrecy which is detrimental to the Canadian people.

May I now turn the attention of the House to motion No. 3, which says, in so many words, that the council shall meet at least once a year and that minutes shall be recorded of all formal meetings. I was pleased to note that when we discussed another portion of the bill in committee the minister was ready to accept a similar amendment to the one now before us. In essence, motion No. 3 says that the council shall do everything "necessary to carry out its duties provided that without restricting the generality of the foregoing it shall meet at least once a year and minutes shall be recorded of all formal meetings." Notice, I do not say that such minutes shall be available: I do not go that far. I only say that minutes shall be recorded of all formal meetings so that they are available, say, in respect of a legal action. The point is that they ought to be available, and it will be enough if minutes are recorded. Also, the council ought to be required to meet at least once a year. For all I know, it may meet once a month or more often. However, a minimum number of meetings should be stipulated.

Nothing in motion No. 3 or motion No. 2 will hamper the effectiveness of the council. We are saying that when the council reports to the minister on how effectively the UIC program is working, the public has the right to know what it says. Further, the legislation should stipulate that the council shall meet at least once a year and that a record, or minutes, shall be kept of all formal meetings.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I wish to speak briefly on motions 2 and 3 proposed by my colleague, the hon. member for Hamilton West (Mr. Alexander). As the committee examined Bill C-27 it learned several things about the advisory council. Mr. Speaker, it has always been my impression that an advisory council is appointed to give advice. In this case it will give advice concerning the UIC. If we exclude the question of making such advice public and the question of whether there ought to be a free flow of information with respect to government reports, what bothers me is the ad hoc way the advisory council operates. Its operations, it seems to me, are part and parcel of the way the bureaucracy operates. They fit into the scheme of things. I have observed, in my own innocence, that there seems to be a war going on in the bosom of the Minister of Manpower and Immigration (Mr. Cullen).

● (1200)

The bureaucrats wish to have the only direct line to the ear of the minister. They would never allow an advisory council to advise with regard to the operation of the whole structure of unemployment insurance. It is only natural that they want the minister's ear to themselves, and maybe other parts as well.

Some hon. Members: Oh, oh!

Mr. Rodriguez: They want his ear in order to have direct input to the minister. Indeed, in committee we discovered that any kind of role that the advisory council played was on an ad hoc basis—behind the chesterfield, in the cupboard, or on the telephone. I asked the chairman what he thought of that. We asked for the minutes, but we did not get them. We were told there was a sort of buddy-buddy, ad hoc, off-the-cuff kind of advisory role which the council was condemned to play. We asked what role the advisory council played in the comprehensive review of the Unemployment Insurance Act on which Bill C-27 is based. It is an important review because of the way in which the Unemployment Insurance Act is operating in this country. We asked whether it was serving the purpose for which it was set up.

An hon. Member: It is outdated.

Mr. Rodriguez: Yes, it is outdated. Apart from that, one would think an advisory council made up of employee representatives, employer representatives, government people and bureaucrats would have some direct input. With regard to any meaningful role that the advisory council ought to play, we found that their participation amounted to as much as you could put into a thimble.

Freedom of information is paramount in motions Nos. 2 and 3 moved by the hon. member for Hamilton West. I support them wholeheartedly. They tend to give importance to the advisory council; in other words, to give it status. It says to the minister, in spite of all we have been saying about an advisory council, that parliament expects some effects from it.

I have been here since 1972. I have seen the unemployment insurance representatives come before the committee on estimates, on Bill C-69, and the present bill. I have never seen anyone from the advisory council before this committee. They are well hidden. We have never heard their views as to how the Unemployment Insurance Act is being administered. We have never been told whether what was implemented in 1971 is doing the job it was designed to do.

I repeat, we have not seen a copy of the minutes. I do not think they exist. If they do exist, it is only in the minister's imagination. There may be something on paper which says the minister shall establish an advisory council. I am not crazy about the way in which the advisory council to the Unemployment Insurance Commission has performed. If these amendments will in any way upgrade the role of the advisory council, any time debating them will be well spent by this parliament.

One would hope that the advisory council would meet more than once a year. The committee heard a lot of witnesses when considering Bill C-27—witnesses for the employers and for the employees. By and large, their views looked at opposite sides. Indeed, there was only one area where employees and employers seemed to concur. That was with regard to the approach to

make work programs and having shared-work programs using UIC funds. There seemed to be a meeting of minds on that particular issue—opposing it.

It would have been of benefit to members of parliament to have had the view of the advisory council with regard to Bill C-27 and the effects envisaged by proponents and opponents of it. It would have been of benefit to have the input of that advisory council.

Mr. Knowles (Norfolk-Haldimand): It might embarrass the minister.

Mr. Rodriguez: I agree. It would have embarrassed the bureaucrats. That is why the advisory council is shunted off to the side, treated like the ugly stepdaughter who is hidden from public view.

Mr. Nystrom: Chauvinist! It is the ugly stepson.

Mr. Knowles (Norfolk-Haldimand): Step-person!

Mr. Rodriguez: All right, ugly step-person. We have to put it in the correct context. When we asked in committee to see copies of the minutes and the agenda of the advisory council, I never saw more pussy-footing and dipsy-doodling. There were glances back and forth along the wide wall of bureaucrats. We could not see the agenda or the minutes. We doubted whether they even existed. If these two motions will in any way enhance the role of the advisory council, so be it.

In committee we also asked about the possibility of local councils or regional councils which would have direct input to the minister. We were assured that the councils would have the ear of the minister and direct input. If they had direct input to the minister, members of parliament studying the legislation brought in by the minister should have the same evaluation reports, the same material presented to the minister with regard to unemployment insurance and, if this bill goes through, the new structure. One would hope to have that kind of information when studying government legislation.

Do the advisory councils, indeed, advise? If they do so advise, does that advice go directly to the minister and not via the bureaucracy which can phase out anything they do not want the minister to hear, and then pass on nice, bland statements to him? We have been trying to avoid that sort of thing, and if these two motions can get around that and make the advisory council meaningful and give it a role to play, we are in favour of it. We would much prefer to see the emphasis on the regional advisory councils rather than on a national advisory council. Why should everything in this country have to be centralized? Why should national bodies be mandatory, and regional bodies optional? Why does everything have to operate under a veil of secrecy? Why cannot the government be open in its approach to the way to administer programs in which members of parliament have participated in putting into law?

[Mr. Rodriguez.]

• (1210)

We in this party support the motions of the hon. member for Hamilton West and urge the government to accept those two motions and make them part of the legislation.

Mr. Arnold Malone (Battle River): Mr. Speaker, I think there is little of substance that can be said in relation to the amendments before us, but I think there are some examples which could be given to illustrate how dangerous it would be not to adopt the amendments put forward by the hon. member for Hamilton West (Mr. Alexander). Specifically stated, the hon. member's amendment reads:

> The minister shall cause any reports related thereto to be laid before parliament within 30 days after the receipt thereof or, if parliament is not then sitting, on any of the first 30 days next thereafter that parliament is sitting.

All we are really asking the government to do in relation to Bill C-27 is to get out from under the criticism that this government has been under since its existence, and to give, as a right to the Canadian people, freedom of information. In other words, we take the view that what is happening in Canada today is that the government is taxing the citizens of our country, taking their money, conducting surveys and collecting information to use in research, and then turning around to the people and telling them they have no business to know anything about it.

What has happened is that the government has drifted away from the concept of government by the people, of the people and for the people that was enunciated by a democratic leader of another country. Today, what we really have was stated in the House of Commons in May, 1975, by the hon. member for Peace River (Mr. Baldwin). He said, "What we have today is government of the bureaucrats, by the bureaucrats and for the bureaucrats". That comes about because of the situation of a high degree of secrecy which takes place within our government institutions. This amendment would, in one piece of legislation, say that the kind of information gathered from the council of people that is important to Canada, to Canadians, in relation to manpower and immigration would be knowledge that is accessible and available not just to the government, not just to some council, but to the Canadian people who should have the right, whatever kinds of important pieces of knowledge are put forward, to know what that information is.

I think it is important to underscore that when we talk about freedom of information we are not necessarily saying that that needs to take place in all stratas or layers of government.

I think there is just reason that within the Department of National Defence or some of the sensitive areas of external relations with other countries the government, in its judgment and wisdom, ought to have the right to refrain from releasing certain bits of information that could endanger our national security. That is not the situation at the present time. I would like to put forward an example that happened in my old office on Parliament Hill this past year which I think shows the state of the shambles we are in in terms of lack of the government releasing information that ought to be available to the Canadian people.

I have, Mr. Speaker, a very fine researcher. His name is Bing Ho. I asked him this year, because I was doing a study on Canadian-American relations prior to going to Washington, D.C., on a sub-committee, if he could investigate some information dealing with the Canadian-American beef trade and find it out for us and put together a booklet, a package. He phoned the civil service here in Ottawa, the Department of Agriculture, and day after day I heard him on the telephone going through the same sequence of questions such as: "Who are you? What do you want to know for? Who else will know this information? Where will it be used? When will it be used? How many other people are going to know?" All this before he could get the information.

Do you know what happened, Mr. Speaker? One day, perhaps through a slip of one of the civil servants, he found out that much of the information was shared with the American department of agriculture. So we decided to try another route. We bypassed the Canadian Department of Agriculture, phoned through to the embassy in Washington, D.C., and found a most helpful, co-operative, cordial group of people who not only gave us the information but said, "Look; what's your name and telephone number up there in Canada, because we know of other people who can phone you and give you further information?" Within moments we found that phone calls were coming in from the department of agriculture in the United States to give us information that is to be found in Canadian bureau of bureaucracy.

I simply say that this kind of example is one which should scare the living daylights out of Canadians. The fact is that we have in this country a shroud of secrecy over information that is paid for by the taxpayers but which the taxpayer cannot find out about. Like I say, there would be no problem if this related only to the Department of National Defence or sensitive areas of external affairs, but it exists in virtually every department of this government.

What my good friend from Hamilton West is saying is that the crisis of lack of freedom of information in Canada today has become so serious that at least let us enshrine in Bill C-27 that the public has a right to know what the council is doing. We have got to know, and we have the right to know, because we are supposedly a democratic country where people elect representatives to govern for them. The government of the day takes the attitude that once it has been elected it, alone, has the right to make decisions, instead of decision-sharing or taking the approach that the public has something to offer. It takes the position that it is wholly above reproach and has the right and the power to impose its wishes without the release of information so that its judgment could be "critiqued"—I do not say "criticized", but "critiqued"—and analysed by the public.

What we really need is a new understanding of the words "public servant". The public servant today has come to the view that somehow he is in this domain of perpetuating his own security. What we have to underscore is that he is, in fact, the literal part of the words "public servant" or "servant of the public". In other words, the whole concept of democracy hinges upon this amendment; that is, we should begin to recognize that freedom of information is something for which provision should be made in the bill before us, and it ought to have been guaranteed before this.

• (1220)

At this stage in our history it is a shame that we still have to be clamouring, as an opposition party, on each and every bill, for the inclusion of a section which would ensure that the knowledge gathered through research is known to the Canadian people, and not only to the people who have been hired with taxpayers' dollars. I should like to deal with motion No. 3, which reads as follows:

—necessary to carry out its duties provided that without restricting the generality of the foregoing it shall meet at least once a year and minutes shall be recorded of all formal meetings.

If we look at Bill C-27 we see that the government has put forward the concept that there should be an advisory council with no obligations or requirements attached thereto. The amendment indicates that the minister's concept is good but can be made better by the addition of the observations of that group. It could be improved, also, by ensuring that the council has some specific obligations. To do otherwise allows the minister to have a cosmetic appearance. He has put forward the idea that there will be a council—with no assurance that it will ever meet, with no guarantee of minutes being kept, and no availability to what that council discussed.

The hon. member for Hamilton West said that we appreciate the fact the minister has come forward with a group of people who will be advisers. We should like to know what they are going to say or how they will have the privilege to find out what they have said. There should be a minimum requirement as to how often they meet. This minister cannot duck and dodge by simply putting on paper that there is one in existence, and then never call it into being.

Those are straightforward amendments, and I am sure the minister will not find them difficult to accept. From one side of his mouth, in standing committees, he told us that they were reasonable requests. He has also talked about consultation and the situation allowing more freedom of information. If he took that position at committee stage, he should have no difficulty taking it in the House of Commons. I should like to hear the minister tell this House that he finds motions Nos. 2 and 3 palatable. I should like to go along with the hon. member for Hamilton West and ensure that these motions be included in Bill C-27 when it is passed.

Mr. Derek Blackburn (Brant): Mr. Speaker, a lot has been said so far on motions Nos. 2 and 3. I do not want to duplicate what has been said already, but I should like to read into the record a few excerpts from a letter which was addressed to the Minister of Manpower and Immigration (Mr. Cullen), dated April 18, 1977. The letter was sent by Dr. Freida Hawkins of the University of Toronto, the department of political economy. It is my understanding that Dr. Hawkins is well known to the minister and his department. Probably she has written to

him on previous occasions, offering constructive criticisms of the Department of Manpower and Immigration.

Mr. Baker (Grenville-Carleton): Did she send you a copy?

Mr. Blackburn: I have a copy of the letter. I am sure I am not the only one who has a copy of it. On page 3, under the heading "Public Image and Responsibilities", she refers to the advisory committees which are supposed to function. As other hon. members have pointed out, these committees are not functioning and are seldom ever called. That is the reason I am speaking on behalf of motion No. 2 put forward by the hon. member for Hamilton West (Mr. Alexander). I can assure him that our party supports his motion. Let me get to the meat of the criticisms of Dr. Hawkins by quoting from the letter, which reads as follows:

> There are important lessons to be learned from the operations of these advisory bodies, from the way in which they have been used by the department and from the kind of advice which they have been able to give to the minister. First of all, they have been a totally in-house operation and the public has been completely unaware of their existence. Their role has never been referred to in the department's annual reports or in the speeches of successive ministers. None of the work they have done has ever been published. Parliament and the provinces have remained as much in the dark about their activities as the general public itself.

That is a very severe condemnation of these advisory committees, and that is why I implore the minister to accept motion No. 2. Then these advisory committees would have teeth and some input. They would have to report regularly and, as the previous speaker stressed in his remarks, they would be open to criticism, which is one of the most important aspects of government today. Government departments should be opened up for people to see what is being written and said, with the exception of what would fall under the heading of national security. This has nothing to do with national security. Bill C-27 has nothing to do with national security vis-à-vis the advisory committees . The letter continues:

> In the author's view, this has been a serious mistake, particularly in a field where public knowledge and understanding has been and continues to be weak, and where the sources of information available to the general public are still very limited.

That is another serious condemnation. It is also a very valid criticism of the lack of information in that department as far as the bureaucracy itself is concerned. I suggest that is overloaded, to begin with. A couple of years ago I can recall sitting in the committee room surrounded by many bureaucrats and only two or three of them had anything to say instead of their doing what they are paid to do.

An. hon. Member: That was too many.

Mr. Blackburn: I think the hon. member should tell them. Returning to the letter, on page 4 it continues as follows:

> It is worth noting here also that the chairman and members of the Canada Manpower and Immigration Council were not called as witnesses before the senate standing committee, nor were they part of the minister's group of officials which appeared before the committee on several occasions.

Those advisory committees were set up for a specific task: to advise the minister. Obviously, they have been ignored. It is my impression that the bureaucrats are afraid of these advisory committees and what they may advise the minister. This would embarrass them and might even lead to a few promotions out of a particular department into another.

Mr. Symes: There is never a demotion.

Mr. Backburn: As the hon. member for Sault Ste. Marie (Mr. Symes) says, "There is never a demotion". To get rid of unwanted bureaucrats you simply promote them to another department. At this point that is all I have to say with respect to motion No. 2. Of course, the House is aware of what has been said by other hon. members who have spoken in this regard. We must have greater freedom of information. The minister has a wonderful opportunity here to provide this information through the advisory councils, with regular reports made public either through the House or directly through the press. I think this would also stimulate greater activity and confidence within the minister's department and the bureaucracy. This is why I commend motion No. 2, and also No. 3, to the minister for very serious reconsideration for inclusion in the statute when Bill C-27 is finally passed.

● (1230)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I feel moved to add a few comments on the motion standing in the name of the hon. member for Hamilton West (Mr. Alexander). I want to say how much I support motions Nos. 2 and 3, the basic objective of which is to provide more openness in the work of government and some input into how regulations are made and executed. An advisory committee which is more than just a title on paper is long overdue. We need a committee that is active, one that we, as parliamentarians, as representatives of the people of this country, are confident will indeed do the job it is required to do by statute. Therefore, it seems to me that motions Nos. 2 and 3 are most appropriate since they provide for some kind of reporting system so we can examine how these advisory councils are functioning.

The government likes to talk very much about participatory democracy and how the government is reacting to people's needs. Yet how strange it is—perhaps it is not strange in view of the history of the Liberal government—that when we get down to the fine details in terms of legislation and the bureaucracy being open and receptive to new ideas, in reality these provisions are not written into the law. Or if they are, they are worded so perfunctorily that they have no real meaning.

This is why the two amendments before the House seem to me so sensible. We want the advisory councils to make sure that they keep minutes of their meetings, and report. I think the minister will find it very difficult to argue against these two motions. If we are to believe in openness in government and that the Liberal government is not the fount of all wisdom, that there are others who can provide information as to the proper functioning of the Unemployment Insurance Act, then surely it would be hard for the minister to reject these two amendments.

I have talked off the record to officials in the unemployment insurance office in my constituency and have noted some very positive suggestions on their part. They are the people who deal with the legislation and the regulations on a day to day basis, and they have a lot of good ideas. I have also talked to people in the labour movement and others who have served on boards of referees. They, too, know where improvements can be made in the regulations and in the system as a whole.

Mr. Blackburn: But they are afraid to talk.

Mr. Symes: As my hon. friend from Brant (Mr. Blackburn) says, these people are often afraid to make suggestions for fear they may be interpreted by those in the higher echelons as speaking in criticism of the way the system works. Therefore, it seems to me that if we had these advisory councils functioning in the proper way, this would provide the opportunity to those not directly involved with the system to relay their points of view to the Unemployment Insurance Commission. Hopefully, in this way we could iron out some of the difficulties and have the legislation applied in such a way that it did not discriminate against or penalize certain people. Surely, the aim of any piece of legislation is not to penalize or hinder in undue fashion those who benefit from the legislation but, rather, to expedite such benefits. Accepting these two amendments would be a positive step in that direction.

I should like the minister to tell the House, either at this point or later on in the debate, how the personnel of these advisory committees are to be appointed. My fear is that very often representation to various committees appointed by the government consists of—

Mr. Rodriguez: Liberal flunkies.

Mr. Symes: My hon. friend from Nickel Belt (Mr. Rodriguez) says "Liberal flunkies", but I will be a little more charitable and say that often these appointees are not as representative as one might hope. I should like to know who actually appoints representatives to these advisory councils, and what the criteria are. Are they people from interested groups in the community who have something to do with unemployment insurance, such as employers or people from labour unions, or are they people who at one time worked within the bureaucracy but are now retired? Are these advisory committees representative, or are they—dare I use the word—partisan appointments?

Mr. Blackburn: Go ahead and dare.

Mr. Symes: Do they have some kind of expertise in dealing with unemployment insurance or employment generally? I would hope so. I would be very interested to know what is the selection process. Perhaps we should think of future improvements along that line.

In summary, Mr. Speaker, I agree with the main thrust of these two motions. They provide for openness in the functioning of government, and also for some input into the operation of government. I think this openness and input could be increased even further if there were a broader basis for selecting people appointed to these advisory committees. I am not by nature a suspicious person, but judging from the kind of Liberal appointments made in the past I fear that patronage is moving in in regard to this kind of appointment as well. Perhaps the minister would enlighten the House on the actual selection process.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, having listened very carefully to the comments on motions Nos. 2 and 3, may I at the outset remind the House that this is an advisory council to the minister which we are talking about. It is a council which gives advice and from which advice will be sought by the minister. As I said in committee when I went through the bill, having taken on this particular portfolio I asked the same questions hon. members might ask. I ask whether we really need a council, whether it is effective, whether it has a role to play, and I am satisfied in my own mind that the answer is yes. It is for this reason that this provision is still in the bill. I wanted it to be a committee that had a real role to play.

• (1240)

I wanted the committee to have access to the minister and access to such information as is available from the department, given the restriction that the hon. member for Hamilton West (Mr. Alexander) would be concerned about, namely, that there are areas here where individual human rights must be protected, and the information may be very sensitive to some individuals in the department.

If all this information were made available to the advisory council and then became public, the fact that we would have to table all reports would have an inhibiting effect on the kinds of information that would be made available from the department. I would be concerned about tabling all reports. However, as I indicated in the committee, I have read many of the reports in the past and have found that a large majority of them—I believe the chairmen of both councils would concede that this is so—contain nothing sensitive or secretive in them. It would be my policy and my role to table a large percentage of the reports that are made available to me. But when I receive information I do not want a watered-down version of what the council thinks, because the council might be concerned that the information will be automatically made public. I want hard information, I want information that is going to be useful to the department and to the individual whom we are trying to serve. It is for that reason, and that reason alone, that I am reluctant to accept motion No. 2 put forward by the hon. member for Hamilton West.

I have no concern about the second motion. I will not oppose it, and the government is prepared to accept it. However, I might say that I think it is somewhat redundant. The hon. member himself, in introducing his motion, indicated that he knows the council meets more than once a year and he is satisfied that the council keeps minutes. So I have no concern with that, other than I feel it might very well be redundant. The hon. member used some poetic licence in saying that I was "pleased" to accept the motion in committee. That is a loose

use of the word "pleased". I accepted the motion, recognizing that it was somewhat redundant, but in the interests of being co-operative, as we on this side, try to be, I went along with it.

I take exception to some of the comments made by the NDP, who spoke about the wall of bureaucrats, the army of bureaucrats sitting at meetings of the committee. From time to time in committee we ask hon. members who ask questions if we could have some of those questions in advance so we could put them to members of the bureaucracy who could give us the answers that are required. We could then have a full and open discussion. Unfortunately, we have no way of predicting what is in the minds of the members of the NDP, so we must have available the various experts from the departments just in case a particular question is asked.

From time to time we did, in fact, try to cut down the number of civil servants present because, frankly, they would be much happier back in the departments doing what they are being paid to do. But then we had members opposite saying, "You have all the experts. We should have the answers today. But if you want the answers, you will have to have the bureaucrats there with the knowledge and the expertise." A little co-operation from the other side would go a long way toward saving the taxpayers some money.

Mr. Blais: Yes, and a little bit of preparation.

Mr. Cullen: I was interested to find that the correspondence between my good friend, Freida, and myself had gone astray to some extent. That it is now in the hands of members of the NDP.

Mr. Baker (Grenville-Carleton): That is why I asked you the question.

Mr. Cullen: It is an excellent letter, with excellent recommendations and suggestions, but it seems to me that what the hon. lady was talking about was the situation in the past as she saw it—and these were the concerns I expressed. I met on two occasions with Dr. Hawkins about what we could do to improve the role of the advisory council to give it a meaningful role and let it know that it does have the ear of the minister and will be able to meet from time to time, either informally or formally, with the minister so that we can have a full and frank discussion. I will make no further comment on Dr. Hawkin's letter other than to say that these are areas which were of concern to me even before I received the letter from Dr. Hawkins in areas that we discussed.

The last item which should be commented on is the comments of the hon. member for Sault Ste. Marie (Mr. Symes) on the input from the front-line troops. I tell you candidly that it is welcome. It is a role that a member of parliament should play. He should go to the Manpower and UI offices to raise those questions either for political purposes in the House or for whatever reason, or with the minister to see if something can be done and that it can be, as we say in press terms, not attributable to anyone. I hope that no one in this department would have any concern about making good suggestions or recommendations to this minister about ways in which we might go about improving the department and in which we can serve the general public. I thank hon. members for their comments. For the reasons given, I cannot accept motion No. 2. I am prepared to accept motion No. 3 although, as I indicated, I feel it is redundant.

Mr. Alexander: Mr. Speaker, at times it is like pulling teeth to get the minister to agree, but I would say that since the minister has accepted a portion of the first amendment, does he not want the second amendment but is prepared to accept the third amendment? We are making some progress in this place.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): It is my understanding that motions No. 2 and No. 3 are grouped together for the purpose of debate, but that they will have two separate votes. The question is on motion No. 2 in the name of the hon. member for Hamilton West (Mr. Alexander). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to section 11 of Standing Order 75, the recorded division on motion No. 2 stands deferred. The question is now on motion No. 3, in the name of the hon. member for Hamilton West (Mr. Alexander). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved motion No. 4:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 26 by adding immediately after line 23 at page 11, the following new subclause:

"(9) Section 2 of the said act is further amended by adding thereto the following subsection:

"(3) Where, for any purposes, the use of rate of unemployment produced by Statistics Canada is required under this act or the regulations, the rates used by the commission shall be those most recently produced at the time it is appropriate or necessary for the commission to make a final determination in respect of or involving the use of those rates."

He said: Mr. Speaker, the motion I am proposing, motion No. 4, is that we amend clause 26 of Bill C-27 for the purpose

of clarifying the rates of unemployment to be used by the commission in determining the entrance requirement, regional extended benefit entitlement under the UI program and the threshold formula for allocating costs to the government and the private sector. The rates of unemployment used by the commission in a number of provisions in the Unemployment Insurance Act and the regulations are the rates provided by Statistics Canada from its monthly labour force survey. At present, however, there is no provision in the Unemployment Insurance Act stipulating which official Statistics Canada rates of unemployment are to be used in cases where the basis for determining those rates has been revised by Statistics Canada.

● (1250)

This proposed motion to amend Bill C-27 would provide that the rates to be used by the commission would be those most recently available. It would be consistent with the methodologies provided by Statistics Canada whereby revised rates of unemployment are released from time to time and officially replace material previously provided.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, we welcome the amendment, which would allow the minister to use Statistics Canada figures with respect to rates of unemployment, but we think the minister ought to have gone further and committed himself and his department to using information with respect to all figures put out by Statistics Canada which are relevant to the Unemployment Insurance Commission. For example, I refer to Statistics Canada catalogue No. 73-001. It is not enough just to take the most up to date rates of unemployment from Statistics Canada to establish benefits under the plan. It appears that we have to use the statistical information put out by Statistics Canada, and trust it.

At the moment, far too many decisions are made within the UIC on interpretations of data received from Statistics Canada. Many interpretations are put on material based on views held by the UIC. For example, comprehensive review of the unemployment insurance plan in Canada was done, and it is on that basis that Bill C-27 comes before parliament. There are several aspects of that comprehensive review which are based upon UIC interpretations. For example, the UIC does not recognize alcoholism as a disease when considering voluntary quits. Imagine that, in 1977! A person who is let go from his employment or leaves his employment because of alcoholism is considered a voluntary quit!

Mr. Breau: What if he goes for treatment?

Mr. Rodriguez: The hon. member opposite asks, "What if he goes for treatment?" I have never heard anything more silly. That is something which takes place after a person has applied for unemployment insurance and after interviews, and so forth. How do we know that an applicant was prepared to go for treatment after he quit voluntarily and after he was included in the statistics? We do not know. Such information is not provided. Quitting voluntarily, so-called, is not unknown in this country. It is very prevalent. It does not take an employer very long to fire a person for trying to organize a union in a workplace. We know that banks are famous for that.

Mr. Blackburn: Infamous.

Mr. Rodriguez: As the hon. member for Brant (Mr. Blackburn) says, they are infamous. UIC statistics would consider that a voluntary quit. Those statistics imply that that person put himself into a position to be fired. With respect to voluntary quits, the UIC does not take into account the fact that the environment in a workplace may be such that a particular worker might be allergic to it. That is not considered to be a legitimate reason for quitting a job.

These statistics are interpreted by bureaucrats in the UIC and they find their way into comprehensive reviews. On the basis of those comprehensive reviews, recommendations are made which result in bills like Bill C-27. The UIC is shot through with bureaucratic interpretations of data which may have to be obtained from Statistics Canada. The program is not necessarily implemented according to information received. Bureaucrats in the UIC receive information and then project their own interpretations. For example, in the comprehensive review on page C-5 it is noted that 47.2 per cent of those who supposedly left their jobs voluntarily were not entitled to unemployment insurance benefits. That, then, becomes a statistic within the UIC. That statistic is now being used to beat the unemployed across the country over the head, and it has resulted in this particular bill.

We would have been very pleased if the minister had extended the amendment a lot further by saying that other statistical data could be used for purposes of computing the benefits to be paid or the length of time benefits were to be paid in a region—which is what the minister is going to come up with later on in this debate—and that other information with respect to the number of people, for example, who have quit their jobs could be used. Using those statistics provided by Statistics Canada would give those of us who deal with the act on a day to day basis with respect to our constituents when they deal with UIC confidence that this policy decision was not concocted in some ivory tower in Ottawa.

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock, I do now leave the chair until two o'clock this day.

At one o'clock the House took recess.

AFTER RECESS

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

PROPOSED INQUIRY INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise on a matter of urgency and pressing necessity pursuant to the provisions of Standing Order 43. Due to the dangers and inadequacies of a provincial inquiry into events involving the national police force and the conduct of a federal cabinet minister, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That, in the opinion of this House, the federal government should establish an inquiry to investigate all aspects of the break-in at offices of L'Agence de Presse Libre du Québec, including the circumstances leading to it, subsequent actions to cover up its occurrence, and the nature of the liaison and communication between the Solicitor General and senior officials in his department.

Mr. Speaker: Order, please. Pursuant to the standing order such motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN NATIONAL RAILWAYS

REQUEST FOR ACTION TO PREVENT LAY-OFFS OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a matter which is particularly urgent to a large number of workers in Moncton, Montreal and Winnipeg and I hope no one on the government side will say no to the request for the right to present this motion. I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House calls on the government to make immediate representations to the Canadian National Railways to the effect that the callous decision to lay off nearly 5,000 employees, 1,950 at Winnipeg, 2,000 at Montreal and 950 at Moncton, for the period from August 8 to September 6, should be rescinded forthwith, and that the government report back to the House on this urgent matter within 48 hours.

Mr. Speaker: Order, please. Such motion can only be presented for debate pursuant to the standing order, with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: Goodale said no.

[The Acting Speaker (Mr. Turner).]

[*Translation*]

FINANCE

REQUEST FINANCING OF PROVINCES BE STUDIED BY COMMITTEE—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 seeking unanimous consent of the House on an urgent and pressing matter.

Considering that the funds lent by the federal government to the provinces through the Central Mortgage and Housing Corporation for the construction of housing for senior citizens and low-income earners bear an overly high interest rate which, moreover, is computed every six months, which results in a considerable increase in the real rate of interest, and bearing in mind that the provinces borrowing from Ottawa under that program undertake to reimburse $5 for each dollar borrowed on a long term basis, which makes Canadians from every province question the efficiency, equitability and profitability of the present Constitution, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House recommend that the Committee on Finance, Trade and Economic Affairs review that question and that program as a whole with a view to promoting that program so as to reduce the debts of the provinces towards the federal government and to spur construction in order to alleviate unemployment.

Mr. Speaker: Order, please. The House has heard the motion by the hon. member. Under the provisions of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTION MINISTER OF SUPPLY AND SERVICES BE PERMITTED TO ANSWER QUESTIONS ABOUT BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the fact that only the Minister of Supply and Services (Mr. Goyer) can supply all the details concerning official knowledge of the 1972 break-in at the offices of L'Agence de Presse Libre, in view of the practices of this House which might be construed as barring questions to a minister with respect to former responsibilities and in view of the importance which this House must hold for the truth, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Supply and Services be permitted to answer questions about his activities as Solicitor General in relation to the break-in at the offices of L'Agence de Presse Libre du Quebec on October 6, 1972.

Mr. Speaker: The presentation of such a motion for debate in the House pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—SUGGESTION MINISTER OF SUPPLY AND SERVICES RESIGN—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. My motion concerns the new theory of ministerial responsibility which, briefly put, postulates that a minister's constitutional responsibility lies with his ministerial assistants. In light of the Minister of Supply and Services (Mr. Goyer) use of this new prerogative in three successive scandals, namely Hamilton Harbour, the Lougheed procurement, the Larry Stopforth affair, and now the APLQ break-in, I move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That this House, recognizing that the minister refuses ministerial responsibility for the actions of his staff and in light of the minister's press release of June, 1977 in which he stated that he would resign if he were guilty of any acts of commission or omission, direct that the minister now resign.

Some hon. Members: Hear, hear!

Mr. Speaker: Noting that this motion requires unanimous consent, may I ask if there is unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. It pertains directly to the motion under Standing Order 43 moved by the House leader of the Conservative party, with the sentiments of which we agree entirely.

In raising my point of order, I want to indicate that I was going to do it just prior to the opening of the question period and ask the House to consider the principle involved in the motion moved by the House leader of the Conservative party.

I understand the clear possibility that members on the government side might have said no to the motion that was moved because they might have thought it would lead directly to debate on that motion. I have no doubt that that was not the intention of the House leader of the Conservative party when he moved that motion.

With unanimous agreement, it would be possible for the present Minister of Supply and Services (Mr. Goyer) to answer questions pertaining to the very important and murky affair, the break-in of a publishing house in Montreal in the fall of 1972. I appeal to the members of this House, particularly the Prime Minister (Mr. Trudeau), to give approval to the idea that the present Minister of Supply and Services be permitted in this question period to answer very important and very pressing questions on this matter, precisely because there is no other forum open to us at this point.

Mr. Speaker: The hon. member seeks, by way of a point of order, to make what might be a suggestion. In any case, it is not being used to draw attention to disorder in this House which is about the limit permitted under the rules at this particular juncture.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM EUROPEAN PARLIAMENT

Mr. Speaker: May I borrow just one minute from the oral question period in which to invite hon. members to join with me in recognizing the presence in our galley of a very distinguished delegation, which is here for a few days of what we are sure will be very cordial and successful exchanges as they have always been in the past—a delegation from the European parliament headed by the very distinguished British parliamentarian, Mr. James Scott Hopkins.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR PUBLIC INQUIRY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, before beginning, I should like to make it clear that the purpose of the intervention of the House leader for the Official Opposition by way of a motion under Standing Order 43 was not to generate a debate but to get the right to put questions to the only minister who is able to answer them.

I begin by directing a question to the Prime Minister. In the statement of the Solicitor General last Friday, a categoric statement was attributed to the former solicitor general, the present Minister of Supply and Services, that that minister was not informed that the theft of documents was the result of an unlawful entry in which the RCMP had actually participated. However, the former commissioner of the RCMP and the former director general of the RCMP security service have stated, and I quote, that "they would be surprised if they had not verbally advised the solicitor general in this regard."

There is a clear and alarming contradiction here, a situation in which the minister states he was not informed of the break-in and in which the former commissioner and director general state, as diplomatically as they can, that they would be surprised if they had not informed him. In the light of this

contradiction, I ask the Prime Minister whether he would consider launching a federal public inquiry into this matter since it could possibly involve a conspiracy to conceal evidence at the most senior levels of his government.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take exception to the allegation by the Leader of the Opposition that the former commissioner was "being diplomatic" in his answer. I am sure he gave an answer to the best of his knowledge. He was not attempting to cover up anything; he was stating he did not remember giving information but he would be surprised if he had not given information. And it was established by the present solicitor general that information of this nature—

An hon. Member: Cover up!

Mr. Trudeau: It seems to me that the present Minister of Supply and Services, the former solicitor general, is stating a fact. He was not informed. The others cannot say they informed him but they say they would be surprised if they had not. The words speak for themselves and the Leader of the Opposition should draw his own conclusions.

Some hon. Members: Oh!

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR STATEMENT BY MINISTER OF SUPPLY AND SERVICES

Mr. Joe Clark (Leader of the Opposition): I missed the end of the Prime Minister's response, except it is clear he continued to refuse to have all the evidence made public so that the light of day can be cast upon precisely what that minister was doing at the time.

Some hon. Members: Hear, hear!

Mr. Clark: This matter involves a minister of the Crown, now Minister of Supply and Services, and former solicitor general, whose reaction to public embarrassment, as one of my hon. friends has said, has simply been to blame public servants. We are now asked to believe that the minister was not aware of participation in the break-in by the RCMP under his authority and that in fact he did not even ask about RCMP involvement. The statement on Friday indicates only that the Minister of Supply and Services is either incompetent or that he cannot be believed. I ask the Prime Minister whether he will order the Minister of Supply and Services to make a full statement of his involvement in this matter, preferably before a federal public inquiry or at least somewhere under oath.

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have the statement of the former solicitor general to the effect that he did not know of the break-in by the RCMP.

Some hon. Members: Oh, oh!

[Mr. Clark.]

Mr. Trudeau: I, for one, am prepared to accept the word of a colleague who is a member of the Privy Council and a minister of the Crown.

Some hon. Members: Hear, hear!

Mr. Trudeau: If the hon. members opposite have cause to doubt his word, of course, they can always challenge it in a way which is well known by this House.

Mr. Clark: Mr. Speaker, we in this House of Commons, and the people of Canada, are not prepared to accept the information which was conveyed through another minister by a minister who refuses—which would have been the honourable thing to do—to seek the unanimous agreement of this House so that he might make a statement which would be subject to questioning.

Some hon. Members: Hear, hear!

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REASON FOR REFUSAL TO CONDUCT PUBLIC INQUIRY

Mr. Joe Clark (Leader of the Opposition): The suspicions which arise here will never be put to rest until the Prime Minister is prepared to let this man be questioned in a way in which the answers can be accepted.

My final supplementary to the Prime Minister relates to the very serious fact that the only official investigation which is under way in respect to l'Agence de Presse Libre du Québec break-in is a provincial inquiry. In effect, we have the Parti Québécois government investigating the Royal Canadian Mounted Police. I should like to ask the Prime Minister why he will not call his own investigation and why he is leaving an investigation of the federal police force to the separatist government of the province of Quebec?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. Leader of the Opposition should know, under our constitution and under our Criminal Code, as it is written, the administration of justice comes under the attorneys general of the provinces. In the province of Quebec we have a government which was lawfully elected by the people of Quebec. If the hon. member disagrees with the procedure followed by that government, of course he can make his views known to it. There is a long established law and tradition in this country that justice be administered by the province. Because of the circumstances mentioned by the hon. Leader of the Opposition, one would think that the Parti Québécois government would make very sure, in this particular case, that the facts are brought to light. This is what we hope will be the case.

Mr. Clark: Mr. Speaker, is the Prime Minister of Canada trying to seriously suggest to this House of Commons that he has no jurisdiction to look into this matter, or is it simply that he will not?

Mr. Paproski: No-guts Pierre.

Mr. Trudeau: Mr. Speaker, I thought it was quite clear from the statement made by the Solicitor General on Friday that of course the government has jurisdiction to look into the matter. The Solicitor General looked into it and I looked into it.

Some hon. Members: Oh, oh!

Mr. Trudeau: The Solicitor General made a statement on Friday which conveys our knowledge of the facts in every detail that we can muster. If the opposition has some questions to ask, then let them ask the Solicitor General or myself, and we will endeavour to do the best we can.

ALLEGED DESTRUCTION OF DOCUMENTS—POSSIBILITY OF PRIOR CONSULTATION WITH MINISTER

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is also directed to the Solicitor General. Could the minister confirm reports, which I have received, that up to two tons of confidential files and data were destroyed by the RCMP in Montreal on June 2 and June 3, 1977; and could he confirm further that this action, involving the destruction of probably hundreds of man-years of work by the force, was initiated because of the implications of an inquiry being conducted by the government of the Parti québécois, rather than under federal auspices? Finally, will the minister tell us whether he or the Minister of Justice were consulted before this action was taken, and did he approve of it?

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Shrug that one off, if you can.

Mr. Hees: Is it shrugging or shredding this time?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I understand it, the hon. member is referring to the destruction of documents which would have taken place during the course of the past month. As far as I am concerned, I am not aware of any destruction of documents whatsoever. If the hon. member is aware of the destruction of documents in the furtherance of a possible cover-up of an illegal action, it is incumbent on him to give me the evidence so that appropriate action can be taken by this government.

Mr. Baker (Grenville-Carleton): He just did so.

Mr. Paproski: How many shredders did you buy, Mr. Goyer?

PROPOSED INQUIRY INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE—POSSIBILITY OF CONSULTATION WITH MINISTER PRIOR TO QUEBEC INQUIRY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, this is not the first time that the opposition have had to bring facts before the Solicitor General.

Some hon. Members: Hear, hear!

Mr. MacKay: Surely the Solicitor General must realize that there is fault, not just in the upper echelons of the RCMP but as well in the way the Solicitor General's own office has been handling any RCMP initiatives so far as concealment or cover-up is concerned, which should have been made abundantly clear to the Solicitor General in the past. Will he not reconsider and recommend to the Prime Minister that an impartial jurist or some outstanding person be put in charge of looking into this whole matter, so that we will not be leaving the RCMP to the mercy of an inquiry by a provincial government? Would the Solicitor General also tell us whether in the meantime, although he had no previous advance warning, on his own admission, of this inquiry to be called by the government of Quebec, there has been any constructive dialogue?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I already find at the moment that the RCMP is not left to the mercy of an inquiry by a public body or by somebody appointed under the jurisdiction of the department of justice or attorney general of the province of Quebec. In view of the type of fatuous allegations which have been made this afternoon, if they are left to the mercy of questions which really raise innuendos and allegations, and if the hon. member really has at heart the reputation of the force, as I think all Canadians have, then instead of making generalized allegations which bear on the reputation on the force, if he had brought the specifics of the allegations, which I have heard for the first time this afternoon, to my personal attention, I may have been able to verify them, before the hon. member raised them in a public manner and cast aspersions on the force.

Some hon. Members: Hear, hear!

Mr. Fox: Mr. Speaker, it seems to me that all members of this House have an obligation, if they have this kind of information, to get to the bottom of it and to bring it to the attention of the responsible authorities before—

Some hon. Members: Oh, oh!

Mr. Clark: What is parliament for?

Mr. Paproski: Just answer the question.

Mr. Fox: As to the second part of the hon. member's question, my deputy minister has today communicated to me that he is getting in touch with the deputy minister of justice of the province of Quebec in order to ascertain answers to some of the questions the hon. member raised on Friday afternoon.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—CONSULTATION BY PRIME MINISTER WITH MINISTER OF SUPPLY AND SERVICES ON ACTION TAKEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. I should like to preface it with an expression of serious dismay that he would not have made it clear to the Minister of Supply and Services that he expected him to clear his name and the government's name in

this important matter in the House this afternoon. According to the statement made by the present Solicitor General, when the former solicitor general, the present Minister of Indian Affairs and Northern Development, informed the Prime Minister a year ago March about the RCMP break-in in Montreal and also about the decision which was made presumably not to acknowledge the letter which was sent to the present Minister of Supply and Service at about the time of the break-in, did the Prime Minister have a conversation with the present Minister of Supply and Services to determine what kind of specific action he took at that time and to give a full explanation for his behaviour?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my dismay in March of last year was that indeed the RCMP had been involved in an illegal break-in. It was at that time that the former solicitor general, the present Minister of Indian Affairs and Northern Development, and myself discussed the possibility of an inquiry. At that time we recognized that the matter had been stated publicly in Montreal and that the attorney general of the province of Quebec was on the eve of launching an inquiry. Because of that, Mr. Speaker, the former solicitor general, the present minister of Indian affairs and myself, decided, in the presence of our senior advisers including the RCMP, to wait until the judicial process had followed its course before going into the matter any further.

● (1430)

As to the precise date at which I asked the then Solicitor General, the present Minister of Supply and Services, the details about which the hon. member asks, I cannot give the answer to that. I will try to refresh my memory as to the time at which I spoke to the former solicitor general.

Mr. Broadbent: Mr. Speaker, since it is a clear possibility even now, I understand, that a federal cabinet minister might not appear before such an inquiry as is now underway in the province of Quebec, and since certainly the kind of inquiry which the government of Quebec might initiate into this process was clear even last year, does the Prime Minister not think that his own responsibilities were not lived up to by relying on the strict application in this case of the due process of law when, instead, he should have gone to the man who was the solicitor general at the time to find out from him if he had inquired of the RCMP when he met with the commissioner of the RCMP on November 6 if the RCMP was directly involved? Surely, it was the ministerial responsibility at that time for the minister to have asked that straightforward, and, one is tempted to say, pretty banal question that we know the Minister of Supply and Services did not ask. The question I want to ask the Prime Minister is, why he did not pursue the matter with the former solicitor general a year ago instead of leaving it simply to a legal process in the province of Quebec which might not ever have led to an interrogation of the minister concerned?

Mr. Trudeau: Mr. Speaker, I repeat that I cannot give the exact moment when I spoke to the Minister of Supply and Services, but the relevant fact in the spring of last year was that the RCMP had been involved in an illegal break-in, and that itself was the main object of my concern and that of the Solicitor General. It is on that basis that we discussed whether or not we should have a judicial inquiry. I repeat that we waited until the due process of law would follow its course, at which time we would see if the guilty persons were brought to trial, as they were. That is the essence of my involvement at that time.

Mr. Broadbent: I would say with regret that the Prime Minister is apparently missing the question I am asking. I am not asking about a judicial inquiry. I am asking about the very important matter of ministerial responsibility involving possibly in this case conspiracy to interfere with the due process of law.

I would like to ask the Prime Minister now, in terms of the statement that was made by the present Solicitor General in the House on Friday in which it became clear for the first time that the former solicitor general, the present Minister of Supply and Services, when he was the minister responsible did not at the meeting on November 6, 1972 even ask the commissioner of the RCMP if the RCMP was involved in the break-in, whether the Prime Minister believes that a minister who in such a grave situation does not even ask the most straightforward and relevant questions—perhaps because he does not want to be caught knowing the answer—ought to remain a minister of the Crown?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, the minister in question was moved from that portfolio around the time that this knowledge came to his attention.

An hon. Member: After the break-in.

An hon. Member: Now, we know the reason.

Mr. Trudeau: The relevant point, I reassert to the House, is that the then solicitor general was not apprised of the break-in before it happened nor after it happened by the RCMP.

Mr. Broadbent: He did not ask about it.

Mr. Trudeau: The minister did not ask about it. He was moved to another portfolio within weeks after his meeting with the RCMP.

Some hon. Members: Oh, oh!

An hon. Member: Why?

Mr. Trudeau: The serious matter of the RCMP having broken in was not known to him. Friday was not the first time when hon. members heard that. We have been saying in the House for several weeks now that, of course, the former solicitor general knew there was a break-in. There had been a telegram complaining about it. He did not know that his own police force was involved in the break-in, and we have his word

that he was not told they were involved in the break-in. A conclusion may be drawn from that, but I suggest it is not the one the hon. member is drawing.

Mr. Broadbent: Why did he not ask?

[*Translation*]

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR STATEMENT BY MINISTER OF SUPPLY AND SERVICES

Mr. André Fortin (Lotbinière): Mr. Speaker, with your leave, I would put my question to the present Minister of Supply and Services.

In view of his responsibilities when he was Solicitor General in 1972, in view also of the serious allegations now made because of this inquiry and the court's decisions, and in view of the importance given by the present Solicitor General in his statement of June 17 as to the role the present Minister of Supply and Services played in this matter, and to clarify and give more dynamism and power to his present position, could the minister tell the House whether he intends to make a statement in the near future on his position as to the conduct of a complete inquiry on this matter, either before the House of Commons or before a parliamentary committee? If so, when?

Mr. Speaker: Order, please. The Standing Order and our precedents clearly indicate that a question may not be put to a minister if it concerns the administrative responsibility that he no longer holds.

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

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, I was expecting this position as I was sufficiently aware of the rules, but I wanted to demonstrate that the opposition has in fact no chance to cast light on the past activities of solicitors general as they often move to another position and as the present Solicitor General admits on page 4 of his statement, that people in this position do not know anything about their letters and their inquiries from the RCMP. Consequently, I direct my question to the right hon. Prime Minister. Considering the unbelievable recognition by the present Solicitor General that it is customary for ministers not to inquire about investigations or claims made against the RCMP nor about the letters to be signed, can the Prime Minister tell us whether there is any direction from cabinet to put an end to this unusual practice where a responsible minister is eventually irresponsible?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member reads carefully the statement the Solicitor General made last Friday, he will see that the government already took, in fact, such measures more than two years ago. The problem the hon. member raises is real, namely how to take effective disciplinary measures when a citizen complains about the conduct of a member of the police force, while the investigation is made by the force itself? It is because of this difficulty that the Solicitor General reminded the House last Friday that we established the Marin Commission more than two years ago to study this disciplinary problem and that we already took measures to prevent this inconsistency from recurring. Furthermore, the Solicitor General announced that this fall in the next session, we would introduce legislation to further prevent the claimant to be referred to the very police force which is the object of the complaint.

Mr. Fortin: Mr. Speaker, I would like to ask a supplementary question.

I am sure the Prime Minister realizes how difficult it is for opposition members to address questions on activities arising from an old responsibility of the former solicitor general. So, given the difficulties that arise from questions which opposition members are entitled to ask on behalf of the Canadian people, would the Prime Minister, since all opposition parties are unanimous, agree to review his decision and allow such an inquiry so we might question the former solicitor general and have the matter cleared up?

Mr. Trudeau: Mr. Speaker, would this mean that the hon. member has no confidence in the inquiry which will be made by the government of the province of Quebec, which he usually defends?

● (1440)

[*English*]

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE MINISTER OF SUPPLY AND SERVICES INFORMED PRIME MINISTER—GOVERNMENT ACTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Prime Minister. It arises out of answers he has given to the Leader of the New Democratic Party and to my leader. It is evident from the refusal of the Minister of Supply and Services to answer any questions that it is very easy for the Prime Minister to move a minister out of a position when it gets hot, particularly when there is a question of a cover-up.

Some hon. Members: Hear, hear!

Mr. Woolliams: In light of the fact that we have been denied any judicial inquiry, and in light of the statement made by the Prime Minister on June 2 last that no minister knew until several years after that the RCMP had been involved in the break-in, I would like to ask the Prime Minister a very definite, particular and concise question. If the Prime Minister does not remember the day, what year did he find out about this break-in, what year did the Minister of Supply and Services tell him about it and how many ministers knew about it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question was somewhat lengthy. I must indicate to the hon. member that the present Minister of Supply and Services has not refused to answer questions. Mr. Speaker has ruled that under our present rules he cannot answer.

An hon. Member: It is a new rule.

Mr. Trudeau: That is a rule of this House. If the hon. member does not agree with it, he can appeal that to Mr. Speaker. However, no question to the present Minister of Supply and Services has been allowed. He has not refused to answer.

Some hon. Members: Oh, oh!

Mr. Trudeau: Eldon, can you get these guys to calm down while I answer your question?

Mr. Woolliams: What have you got to offer today? Please answer the question.

Mr. Trudeau: The second point was by way of an allegation by the hon. member for Calgary North that I moved the Minister of Supply and Services when the going got tough, or something like that. I remind hon. members that during the campaign of 1972, and in the weeks that preceded and followed the campaign, the opposition was complaining that the Minister of Supply and Services was not friendly enough to the RCMP, not that he was trying to protect them too much, which seems to be the position now.

Mr. Clark: Not at all.

Mr. Trudeau: I wish hon. members opposite would remember the attitude they had in those days. Now they are saying he was covering up for the police. In those days they were saying he was not protecting them enough.

Mr. Clark: We are saying he is blaming them for his actions.

Mr. Trudeau: As to the question of the hon. member—

Mr. Clark: Having answered none yet.

Mr. Trudeau: I was coming to that.

Mr. Clark: Fine, go ahead.

Mr. Hees: String it out, Pierre.

Mr. Clark: You've got 15 minutes to fill in.

Mr. Trudeau: If I have 15 minutes, Mr. Speaker, perhaps you could use some of them to get a little silence from the opposition.

Some hon. Members: Oh, oh!

Mr. Fraser: It's the silence on your side we are worried about.

Mr. Baker (Grenville-Carleton): It is not our reputation that is on the line; it is yours.

Mr. Trudeau: All right, don't you listen to my answers?

[Mr. Trudeau.]

Mr. Baker (Grenville-Carleton): Why don't you give some answers?

Mr. Trudeau: I am sure that at least the hon. member for Calgary North is interested in getting an answer. How many years after the event? That has been made clear before. It was only in the spring of 1976 that we knew that the RCMP was involved in an illegal break-in. Before that no minister nor myself knew about that.

Mr. Woolliams: In light of the fact that it did take sometime after the letter was received by the Minister of Supply and Services, then the Solicitor General—who says he did not get the letter because it was stopped in his office—I would have thought he would have taken some constitutional responsibility for his own staff. I believe the Prime Minister would agree with that. However, after taking several years—I do not know whether it was five or seven for the Prime Minister to find that out—what has the Prime Minister done since besides waiting for the process of law in Quebec, the government of Quebec and the attorney general of Quebec? What has the government done to clean up this mess? What is being hidden today in this conspiracy to cover up?

An hon. Member: Goyer.

Mr. Trudeau: Mr. Speaker, in fairness I am sure the opposition would want to call to mind the circumstances of the situation. The present Solicitor General, the former one and solicitors general for many years have frequently received complaints about the RCMP. I am sure we all receive complaints from the public about people in our departments who have given either cause or reason for complaint. As I understand it, the then Solicitor General did what every minister would do. He made sure that every complaint was followed up. In this particular case his officials did as mine would do, and that is to make sure that those involved in some complaint are called to task. The hon. member asks what we have done about that.

Mr. Broadbent: They didn't tell the minister.

Mr. Trudeau: The present Solicitor General gave the answer to that on Friday. I believe it was in 1974 that we appointed the Marin Commission to make sure that the police who were complained about were not being investigated by the police themselves. That is why we set up the Marin Commission, to look into the whole problem of discipline. On Friday the minister indicated what steps had been taken and will be taken to meet this particular difficulty.

Mr. Woolliams: Mr. Speaker, I have one supplementary question.

Mr. Speaker: Order, please. The hon. member for St. John's East.

Mr. Woolliams: In light of the answers, surely, Mr. Speaker—

Some hon. Members: Order.

Mr. Woolliams: Surely if the Prime Minister will not answer and leaves us in a vacuum we are entitled to follow up.

Some hon. Member: Hear, hear!

Mr. Speaker: Order.

Mr. Woolliams: We have been refused a judicial inquiry. I think we are entitled to some answers.

Mr. Speaker: Order.

Mr. Woolliams: I think you've cut me off at a time when I was asking—

An hon. Member: Eldon, come on.

Mr. Woolliams: I can get louder. You take your own seat. I ask that the hon. member take his seat.

Mr. Speaker: Order. I ask that the hon. member take his seat.

Mr. Woolliams: I say to you, that I was precluded from asking questions.

Mr. Hees: Eldon, sit down.

Mr. Woolliams: I am entitled to another question.

Mr. Speaker: Order. If the hon. member for Calgary North would resume his seat—

Mr. Woolliams: I have always been polite to every Speaker in this House.

Mr. Speaker: Order. If the hon. member for Calgary North would resume his seat I would be pleased to tell him that any choice in granting supplementaries is only between him and one of his colleagues, and if he feels that he must have the floor against one of his colleagues, I am perfectly prepared to allow him another supplementary. The hon. member for Calgary North on a final supplementary.

Mr. Woolliams: Thank you very much.

Some hon. Members: Hear, hear!

Mr. Woolliams: My question to the Prime Minister is this: In light of the fact that the police went to the former solicitor general's office on November 6, 1972 and gave him certain information at that time, and that the former solicitor general had information about the break-in from the newspaper in question, does the Prime Minister feel that the then solicitor general acted with the kind of responsibility the Prime Minister would expect of any minister in this House under those circumstances?

Mr. Trudeau: Yes, I do, Mr. Speaker.

Mr. Clark: Good Lord.

Some hon. Members: Shame.

Mr. Trudeau: The former solicitor general was under severe attack in those days because it was alleged, particularly by Tory members, that he did not respect that great institution called the RCMP. He was the recipient of a complaint from a group, and hon. members can judge whether that group was a very reputable one. He was the recipient of a complaint about an illegal break-in. He did what most of us would do. He referred this to the police and asked them, "Is this a serious complaint?" He behaved as though he trusted the RCMP in asking whether he should answer this letter.

Some hon. Members: Hear, hear!

Mr. Trudeau: They told him—and it is on record in writing—that he should not answer the letter. Hon. members can decide who is to blame, the former solicitor general or the RCMP, and they can carry on their accusations if they so desire.

Some hon. Members: Hear, hear!

Mr. Clark: It may well be you.

● (1450)

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—ACTION TAKEN BY MINISTER OF SUPPLY AND SERVICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services based in part on a statement he made on June 2 also bearing in mind a precedent set by his colleagues, especially the hon. member for Westmount and others during questioning in the House on the judges' affair when ministers were allowed to answer areas of questioning other than their own particular responsibility. My question to the minister based on his statement of June 2 is whether he is in a position to tell the House as a result of his meeting with Commissioner Higgitt and Mr. John Starnes what steps he took when advised of the serious allegations of RCMP involvement in an illegal break-in? What steps did he take when he was given that information following his meeting with Commissioner Higgitt and Mr. Starnes on or about October 9? Who did he did discuss it with and did he discuss it with any of his colleagues in cabinet?

Mr. Speaker: Order, please. The distinction that the question of the hon. member for St. John's East raises is with respect to questions that are put to ministers during an affair in which ministers, even in their present capacity, had taken some steps—in fact the questions were put to them about actions they had taken as ministers, not necessarily actions which related to their own administrative responsibility but steps which had been taken at the moment of the question in respect of their position as a minister.

Order, please. I think it would have been a totally unfair distinction for the Chair to have attempted to protect a minister with administrative responsibility while the minister was being questioned about steps he had in fact taken which were connected with his capacity as a minister, but not necessarily with his capacity in a particular ministry.

In the present situation the questions which have arisen are questions which are similar to questions which have arisen before but are not connected with actions taken at the moment by a minister, as minister, but connected with actions taken by a minister in a former capacity at a former time in that capacity. That is the distinction that I think must hold at all times; that no questions can be put today to a minister of this House about steps that he has taken in a former capacity. An order to do so surely would permit questions to be put, for example, to the hon. member for Eglinton who is no longer a member of cabinet. That is the distinction, and I think it must be maintained at all times.

The hon. member for St. John's East.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—CONSULTATION WITH SOLICITOR GENERAL PRIOR TO STATEMENT ISSUED BY MINISTER OF SUPPLY AND SERVICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I am not going to argue your ruling because the rules do not permit me to do so.

Some hon. Members: Hear, hear!

Mr. McGrath: Given the dilemma of the situation arising out of our rules perhaps you might permit me to direct a question to the Minister of Supply and Services based on a statement he made on June 2, issued on his letterhead as Minister of Supply and Services. The minister said:

I can give the assurance, however, that if I felt responsible for any wrongdoing whether by commission or omission I would not wait for his statement—

He was referring to the Solicitor General.

—and all in respect to parliament and to Canadians I would submit my resignation.

A commendable suggestion I may say, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. McGrath: Based on that statement of June 2, I should like to ask the Minister of Supply and Services if he can tell the House whether he consulted with his colleague the Solicitor General prior to making that statement? What was the nature of those discussions? Did they include the very serious allegations contained in the letter and the meeting arising from that letter with Commissioner Higgitt regarding the allegations of the involvement of the RCMP in an illegal break-in?

Mr. Speaker: Order, please. I am prepared to hear argument from the hon. member at three o'clock and from other hon. members—I see there are several. At the moment the connection with the statement is not sufficient in my opinion to permit the question. I will hear argument at three o'clock.

A supplementary, the hon. member for Hamilton West.

[Mr. Speaker.]

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DESIRE OF MINISTER OF SUPPLY AND SERVICES TO ANSWER QUESTIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I think we must get to the nitty-gritty of this matter. In light of the fact that there have been several allegations and innuendos thrown out this afternoon and on other days, and knowing that the Minister of Supply and Services would like to make a statement and would like to answer questions—

An hon. Member: Sure, he would.

Mr. Alexander: —in order to clear up this murkiness, I would ask him one simple question: is he prepared to answer questions directed to him about his actions when he was the solicitor general of Canada in the year in question?

Mr. Speaker: Order, please. I might relieve the hon. member for Hamilton West of that difficulty because even if the minister said he was prepared to answer questions I would not let him.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—SUGGESTION PRIME MINISTER ASK MINISTER OF SUPPLY AND SERVICES TO MAKE STATEMENT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I would like to take another tack on this whole proposition and let the Prime Minister show what kind of leadership he is prepared to give. In light of the fact that in prior answers to questions he indicated categorically that the then solicitor general, the Minister of Supply and Services, had no knowledge but only had some reference to the police in the correspondence from L'Agence de Presse Libre, and since it now appears that there was a specific telegram attached to that communication and there is an admission in the statement by the Solicitor General to the effect that the matter was considered—in order to put this matter precisely on the record and since according to your ruling we are not able to ask questions at the present time will the Prime Minister, as the leader of this country and this government, direct the Minister of Supply and Services to make a statement on motions or suggest to him at least that he make a statement on privilege so that we may have an opportunity to hear him in this House with respect to this very important matter before any public inquiry is undertaken by the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would be up to the hon. member if he felt his privileges were impinged upon by members opposite to ask Your Honour for permission to raise a question of privilege. I guess it is obvious from what has happened this afternoon that the Minister of Supply and Services has not felt his privileges have been seriously impinged upon because hon. members opposite have not brought any accusations forward.

Mr. Baker (Grenville-Carleton): He has condemned himself.

Mr. Hnatyshyn: A short supplementary question. I think there are many inconsistencies, one of which I pointed out with respect to the information the Prime Minister received from this minister which would indicate that either he was misinformed or was lied to. I would ask the Minister of Supply and Services whether he will undertake to make a statement on motions regarding his personal involvement with respect to an illegal act, regardless of ministerial responsibility, but simply whether he can clear his name with respect to the whole question of whether he was involved in any illegal act personally?

Mr. Alexander: We gave you a chance and you did not take it.

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

Mr. Alexander: Send him out of the country again; give him a Ouellet holiday.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—ALLEGATION OF CONSPIRACY TO COVER UP—GOVERNMENT ACTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to direct a question to the Prime Minister about an aspect of the matter that does not seem to be fully explored. As I understand it, the Solicitor General has told us that on November 6 he was advised by the Commissioner and by Mr. Starnes not to answer a letter which he had received complaining about the alleged break-in. What I want to ask is whether this does not seem to smack of a conspiracy to defeat the administration of justice and what, if anything, is being done about that. I am not accusing the Solicitor General of being involved in it, although I would certainly like to know what part he played in it. I am suggesting, however, that at the very top of our national police force there are people who will conspire to suppress evidence or suppress following up matters as important to the administration of justice as this. What is this government going to do about it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a very serious question and I am presently discussing that with the Solicitor General.

Mr. Brewin: A supplementary question, Mr. Speaker, and on a little different line. In his speech on Friday the Solicitor General made this commitment or statement: at page 6793 of *Hansard:*

The government decided, therefore, not to establish a royal commission,—

That is, to go into this whole matter—

—but remained firmly committed to re-examining the matter once the judicial process had run its normal course.

I should like to ask the Prime Minister, at least on one interpretation, after these men had pleaded guilty and received a discharge, whether the judicial process had not in fact run its course? I wonder if the government's undertaking to re-examine the matter with a royal commission is not now operative. If it is not now operative, when will it become operative? Are we to wait indefinitely while various inquiries are made in Quebec? Is it not now time for the government to act on what it promised, on what the Solicitor General says it decided to do and committed itself to doing some time ago?

● (1500)

Mr. Trudeau: Mr. Speaker, that is a rephrasing of the previous question, which I conceded was an important point of view. The only additional aspect to the question is—when, as I indicated to the hon. member, I am discussing that with the present Solicitor General. I think the hon. member asked an important and serious question, and it is causing us great concern.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—FAILURE OF MINISTER OF SUPPLY AND SERVICES TO TAKE RESPONSIBILITY FOR ACTIONS OF FORCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As it has always been accepted practice, in every Canadian government, that ministers take full responsibility for the actions of those for whom they have ministerial responsibility, and as the Prime Minister confirmed in this House on May 24 last that that is the case with this government, will he explain to the House why the former solicitor general is being allowed, by him, to claim not to have any ministerial responsibility for the actions of the RCMP officer for whom the minister had ministerial responsibility and who was involved in the 1972 break-in, as the minister did in his press announcement of June 2?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the RCMP officer who committed the illegality has pleaded guilty in front of the courts. I do not think the hon. member is alleging that, unless the minister had knowledge and directed the member of the RCMP to commit that illegality, that he would be bound by any sense of ministerial responsibility. I have the minister's clear statement of the fact that neither he nor the Commissioner of the RCMP knew about the break-in before it took place. This is also confirmed by the Commissioner of the RCMP. Therefore, I do not understand how the hon. member can argue that a minister is responsible for an act which was committed without his knowledge.

Mr. Hees: Mr. Speaker, is the Prime Minister not aware that all ministers who have ever served in Canadian governments have always been willing to accept responsibility for the acts, whatever they were, of those concerned under their jurisdiction, and the former solicitor general is doing something which is completely different from what has been accepted practice? He is trying to duck responsibility, something which no honourable minister has ever done before.

Mr. Trudeau: Mr. Speaker, surely the relevant point is this: While the minister was the minister responsible, he did not know of the illegalities of those under his charge. When the illegalities of those under the charge of the solicitor general

became known, they were acted upon by the former solicitor general and the present Solicitor General.

Mr. Hees: A final supplementary question, Mr. Speaker. Is the Prime Minister not aware that it has been the case in the large departments of the government, which have existed for many years and which employ many thousands, that if a departmental employee commits a misdemeanour about which the minister cannot be expected to know at the time of commission, the minister, if he has any guts and sense of responsibility, has always taken responsibility for the mistakes of his employees and not tried to duck them? Does he not know this and does he not agree that this principle should be followed in this case?

Mr. Trudeau: Mr. Speaker, I cannot agree that that would be the principle, because if it were the present member for Prince Edward-Hastings would have to take responsibility for acts which would now be discovered and which were committed in the period 1958-1962, when his party was in power.

Mr. Hees: Which I have always been willing to do.

Some hon. Members: Hear, hear!

Mr. Hees: Can you name any one action I have ever tried to duck? Put up or shut up.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order which really is separate and apart from issues involving this question period, but which involve ministerial responsibility and a minister choosing to remain silent in the face of questions. I preface my remarks by saying that, like the hon. member for St. John's East (Mr. McGrath), I cannot question the ruling of the Chair. But, Mr. Speaker, I believe the House is entitled to a clarification with respect to the ruling you made regarding the questions of the hon. member for St. John's East and the hon. member for Hamilton West (Mr. Alexander). They are entitled to a clarification.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): If the hon. member for Ottawa Centre (Mr. Poulin) would shut his mouth for once, he would hear the argument.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Mr. Speaker, you made a judgment today which I am not questioning since that would be contrary to the rules. But I ask for clarification, Sir, with respect to those questions. You said, in effect, before the Minister of Supply and Services (Mr. Goyer) had the opportunity to answer, that the two members did not even have the right to put the question. That may be the traditional rule, Mr. Speaker, but in view of a precedent which you, yourself, set I think the House is entitled to a clarification and I rise for that reason.

[Mr. Trudeau.]

On March 14, 1975 the same kind of question arose, involving a series of matters. I shall now refer to page 4105 of *Hansard* for that day. In the course of your judgment handed down that day, Sir, you said this:

> However, I feel in addition that the Chair does not have the power ever to prevent a minister from answering a question which he wishes to answer.

Mr. Alexander: That is the point.

Mr. Baker (Grenville-Carleton): Your Honour went on to say this:

> It is one thing to suggest that, if a minister raises an objection on technical grounds to answering the question—

I remind you, the minister did not move a muscle when he was asked the question.

Mr. Woolliams: Yes, but he looked nervous.

Mr. Baker (Grenville-Carleton): I continue:

> —the question must be examined to see whether the technical grounds are correct. However, if a question is put and the minister wishes to answer it—

I assume he has to give some indication, even to say "no." I continue:

> —I am sure it would be improper for the Chair to try to stop him from doing so.

Sir, with respect, today you intervened. I am not suggesting by any stretch of the imagination that you intervened in bad faith, but you intervened.

An hon. Member: Do not reflect.

Mr. Baker (Grenville-Carleton): Mr. Speaker, if a member cannot say these things in the House, it is a pretty sorry House. The questions which were to be put by the hon. member for St. John's East related specifically to a statement made with respect to L'Agence de Presse Libre matter, which occurred apparently in 1972; that statement was made on the letterhead of the Minister of Supply and Services on June 2, 1977, and that was the basis of the question. There was absolutely no indication from the minister that he would refuse to answer the question. I do not know what the proper procedure would be, Sir, but there was a clear ruling made by you, in this House, with respect to a matter absolutely on all fours with what happened in this case. The hon. members for St. John's East, Hamilton West, Saskatoon-Biggar (Mr. Hnatyshyn) and Lotbinière (Mr. Fortin) were interested in raising this matter, and that is the position in which we find ourselves.

I happen to believe that you were absolutely right in your ruling of March 14, 1975 with respect to the privileges of this parliament concerning free questioning. You made that ruling on March 14, 1975. I cannot question your ruling of today, Sir, I understand that; but if I could I would have to say, with respect, I believe you are wrong today. I therefore rise to ask for the only thing I can ask. That is for some clarification with respect to the rights of members of this House, not just on this occasion, but on previous occasions and on occasions yet to come, when we must deal with ministers with respect to their former responsibilities, at least while they are still ministers of

the Crown. That is the position of the Minister of Supply and Services (Mr. Goyer) today. He should at least be asked whether he is prepared to answer questions if they are put to him. If not that, he should be asked whether he is prepared to make statements on motions and have questions thereon. If he does not at least raise a question of privilege on what has been said about him today, he is not much of a man.

● (1510)

Mr. Paproski: And he should resign.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, I rise on the same point of order. I was very careful on my supplementary question, anticipating what Your Honour's ruling might be, to base my supplementary question on a statement issued by the Minister of Supply and Services (Mr. Goyer) on June 2, 1977, on his letterhead, in relation to the matter which is under discussion in the House at the present time.

I would like to submit in argument that, notwithstanding the citation in Beauchesne 171(X), which I know Your Honour will cite, I would draw Your Honour's attention to our own Standing Order 39(5) which states that oral questions may be directed to ministers of the Crown.

In reading the spirit if not the letter of the standing order, I would hold respectfully that a minister making a statement outside the House on his authority as a minister, in this case on his authority as Minister of Supply and Services, on his official letterhead, is under our rules accountable for that statement in the House.

Some hon. Members: Hear, hear!

Mr. McGrath: Your Honour shakes his head skeptically. I would submit that if the Minister of Supply and Services had not made that statement on June 2, I would be on very weak ground indeed. If Your Honour rules today that ministers who make official statements outside the House on their official letterhead are not to be held accountable to the House for those statements, that ruling will go a long way toward destroying what little accountability there is left in this House.

Mr. Alexander: Mr. Speaker, I will not be very long. As I listened to the House leader, I thought he brought home the point I tried to make in terms of questions I tried to ask the Minister of Supply and Services (Mr. Goyer). I recall very distinctly Your Honour's ruling on March 14, 1975. I recall you stating that if a minister were asked a question about a former responsibility, he did not have to answer that question. However, if he were asked a question regarding his former responsibilities, and if he wanted to answer that question, Your Honour would not prevent him from doing so.

I prefaced my remarks extremely carefully because I know this has been a very heated afternoon. There have been many innuendos and aspersions cast. Following Your Honour's ruling, I put the question to the minister. I thought he would say either yes or no. I was not going to get into anything substantive, just give him the privilege or the right to have something to say, whether it be yes or no.

What disturbs me is when I asked the minister that question, I did not know whether he was going to answer or not. I did not know whether the minister was going to say yes, he would be prepared to answer questions with respect to his former responsibility as Solicitor General of Canada. When Your Honour stood up, there was great laughter from my friends on the other side, as usual when we are hitting home. We got the usual red herring.

With all due respect, Mr. Speaker, you must not only clear the right of hon. members to ask a similar question of ministers when they no longer hold portfolios for which they were responsible, but as well the question raised by the hon. member for St. John's East (Mr. McGrath), another very delicate one. That question was based on the fact that the Minister of Supply and Services wanted to become involved as a former solicitor general, using his own letterhead in order to bring about this particular scenario.

With all due respect—and Your Honour knows how well we get along together, I always try my best to abide by the rules of the House—these two questions as well as the question by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) must be addressed by Your Honour. I hope that you do not intend to answer those questions this afternoon because what you decide will determine whether in fact this place can function as it should.

Mr. Broadbent: Mr. Speaker, in rising on this point of order I preface my comments by stating that I agree in substance with what has been said by the member who just resumed his seat. If we cannot get a clarification of this issue involving the integrity of a minister of the Crown with regard to very clear, explicit charges made both inside the House and out about conspiracy by leading officers of the Royal Canadian Mounted Police, then parliamentary democracy in Canada is in a very bad state. I say that in all seriousness.

I appeal through you, Mr. Speaker, to the government House leader and Acting Prime Minister (Mr. MacEachen), because the Prime Minister (Mr. Trudeau) is absent, that in the event Your Honour's ruling should be negative that we hear the House leader's view on that before Your Honour makes the ruling. I appeal to the Acting Prime Minister to confer with the Prime Minister, who just left the chamber, to recognize the seriousness of the situation.

We have no opportunity of questioning the former solicitor general, the present Minister of Supply and Services, on a matter that involves conspiratorial accusations against the Royal Canadian Mounted Police and against the minister himself. The evidence does not warrant charges at this point of conspiracy of the minister. The evidence is unclear on that.

A lot of us are reluctant to impugn directly the integrity of the minister by saying there has been a conspiracy. That would be one way to get him to his feet, denouncing him and saying openly that he conspired. He would then have to justify it.

However, I, and I suspect other members of the House, do not make such charges lightly.

We rely on the evidence. We are serious about the evidence. However, we want the truth of the matter. That is why it is so profoundly important that this minister in some way have an opportunity to clarify the record. His integrity and that of the government is on the line. The whole question of conspiracy in the RCMP is on the line.

It is a shocking act of irresponsibility for the Prime Minister not to have indicated that he wants this minister to answer in the House today. I appeal to the Acting Prime Minister not to sit out this procedural debate in a cynical fashion leaving the impression that the government is going to sit behind the rules of the House and hide the truth. I appeal directly to the Acting Prime Minister through you, Mr. Speaker, that if they are not going to rely on the rules whereby the minister is not obligated to answer, to do something about insisting that the Minister of Supply and Services get to his feet, either later today or tomorrow, to make a statement on this important matter.

[*Translation*]

Mr. Fortin: Mr. Speaker, I would like to refer to the same point of order. What happened during the question period will surely not be the best in our parliamentary records.

As a preliminary comment, the Prime Minister in reply to one of my questions asked me a question and accused me of upholding provincial rights. Mr. Speaker, I think that the Prime Minister, the champion of the constitutional *statu quo* and excessive centralization in Ottawa, did not accuse me but he paid me one of the nicest compliments which a Prime Minister can pay to a member of the opposition, that is of upholding provincial rights in this parliament since the provinces hold and must hold effective powers in this country.

Mr. Speaker, I put a question to the former solicitor general but you ruled that I could not direct it to him since he has changed his portfolio to become the Minister of Supply and Services. Mr. Speaker, there are precedents in this House where a minister has been called upon to answer questions about his activities in a former portfolio, thus enabling us to clarify a given situation. If the Minister of Supply and Services is so pure, so perfect, if he did not make any mistakes, if he is not involved in any conspiracy, why then does he refuse to take part in an inquiry and, second, why does he refuse to answer questions put to him in the House? I say that moving ministers from one portfolio to another enables the government to keep its secrets and hide the truth on such important matters. At the very moment we are making a point of order, Mr. Speaker, the minister is leaving the House. He does not care one bit about Parliament, he also refuses to answer questions put to him in the House by members of parliament, he is hiding behind the rules of the House.

Mr. Speaker, the ruling you will have to give is a very serious one. The minister involved is still a cabinet member. This minister is taking part in cabinet discussions, he is aware of what cabinet does to try and get out of this dilemma. Doubtless, the press release of the present Solicitor General was discussed, wholly or partly, in cabinet before being read here.

Mr. Speaker, the minister hides behind the Standing Orders of the House, knowing that light cannot be cast on the matter.

As you can realize, with all due respect, Mr. Speaker, we are unanimous on this side of the House in wanting to know the truth of the matter on behalf of the Canadian people and we beg of the Prime Minister the cabinet and that minister, if he is truly responsible, to reconsider this decision and to grant that inquiry, and specially, Mr. Speaker, we ask you, unanimously, that the minister rise in the House and answer our questions. Otherwise, Mr. Speaker, not only ministerial solidarity but the tradition whereby a minister, when he changes position, is no longer responsible, will prove to what extent the system is vicious, to what extent it protects the ministers regardless of the democratic rights of hon. members of this House.

Mr. Speaker, the House is being treated in cavalier fashion. It seems to me that if I were concerned, if points of order were brought up, if a whole question period dealt with such requests and the House were unanimous, I would at least have had the decency to stay in my seat and find out what hon. members of the opposition have to say. It shows a total lack of respect, Mr. Speaker, and I join the hon. members of the NDP and those of the Conservative party to prove to you how serious we think the matter is and ask the minister to act responsibly if he really is responsible.

• (1520)

[*English*]

Mr. MacEachen: Just a word or two on the point of order which has been raised, Mr. Speaker. I think it is clear that the ruling Your Honour made consistently, that a minister of the Crown cannot be questioned on his activities in a former portfolio when the minister currently responsible for the portfolio is here in the House to answer questions, is a sound one. I believe this is an old rule, an old practice. It may be a bad one, but I happen to believe it is a good rule.

Its application today has created some difficulty and some frustration for hon. members opposite but I do not think it is fair, because of that, to ask the Speaker to make an entirely new ruling and change the practice of the House; in other words, to press him, as he has been pressed very strongly today, to alter our practice by some *obiter dictum*.

Mr. Baker (Grenville-Carleton): Obiter?

Mr. MacEachen: It has been said that this is a political matter which should be dealt with by the Speaker. I believe such a course would be a mistake. The rules of the House should be observed and we should support the Speaker by consistently applying the rules.

Mr. Gillies: He ruled on this in March, 1975.

Mr. MacEachen: I listened to the hon. member for Grenville-Carleton as carefully as I could, but I believe the applica-

tion of the ruling for this particular case will depend on the circumstances which prevail at the time it is made. It should also be borne in mind, as the Speaker has pointed out, that the Chair cannot prohibit any minister from answering if the procedure of the House is followed correctly, that is, if the questions are in order, neither can it oblige any minister to answer questions even if they are in order.

Having said this, I wish to express my appreciation to the hon. member for Oshawa-Whitby (Mr. Broadbent) for outlining the difficulty the House faces in securing, during the question period, a statement from the Minister of Supply and Services, one which would be of great interest, I am sure, to hon. members. Bear in mind, though, that on Friday the Solicitor General made an extremely long statement on this subject and was subsequently questioned in detail with regard to all the facts which are known to the government.

Mr. Fraser: That was all hearsay, for heaven's sake!

Mr. MacEachen: All that remains—

An hon. Member: —is the truth!

Mr. MacEachen: The truth has been spoken by the Solicitor General and by the Prime Minister. However, I understand what seems to be the complaint. I do not think the way to proceed is through a perversion of the question period. It should be done in another way because hon. members are quite aware that with respect to this incident the universe will unfold in the next few days as it should.

Mr. Hees: Tell us what the other way is.

Mr. MacEachen: I will leave it to your imagination.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The government House leader made a somewhat peculiar reference to the rules of the House. The application of those rules is a matter of precedent and is not determined by our Standing Orders alone. The flim-flam we heard from the government House leader with respect to this course being highly improper is incredible, when we consider that the government has turned around, on at least two occasions, this rule which indicates that only the present minister can be responsible for answering questions.

● (1530)

There were two very noteable occasions in my experience. One was when the Minister of Supply and Services (Mr. Goyer) was involved in blaming someone else for the actions of his department in connection with the Hamilton Harbour matter. The government found it quite appropriate then to have the minister come to the Standing Committee on Justice and Legal Affairs, flanked by the then solicitor general, the now Minister of Indian Affairs and Northern Development, and the commissioner of the RCMP, and they stonewalled for about four hours. The second occasion—

Mr. MacEachen: That was a standing committee and the same rules do not prevail, as you know perfectly well.

Mr. Hnatyshyn: The committee is an extension of this House, governed by the rules and precedents in the same way as the House is. The second occasion was more recent. The present Minister of Finance (Mr. Macdonald) found it convenient to come forward and answer questions with respect to the whole question of Polysar and activities which took place when he was the minister of energy, mines and resources. The uranium transaction, the Candu transaction, is another example.

The point I should like to underline, which has been raised by my colleague, is with respect to the so-called judges affair when questions are allowed to be put to ministers because the concern was not related to ministerial responsibility. It concerned the broader question of illegality or impropriety. Those are the terms that were used. The hon. member for Greenwood (Mr. Brewin) suggested that there was some question of conspiracy. There are allegations and suggestions, which have been raised here that the minister was in fact involved in a possible cover-up of an illegal act.

Mr. MacFarlane: Who raised those?

Mr. Hnatyshyn: These implications were raised in the House of Commons by a member of parliament. We have the right to do that, and we will not be told what to say by the government whip. He is one person who will not tell us what to do.

Some hon. Members: Hear, hear!

Mr. MacFarlane: We do not have to accept what you say. No one else is.

Mr. Hnatyshyn: The fact of the matter is that these are instances where specific departmental responsibility was not at stake, but the question of parliamentary responsibility and the responsibility of a member of the administration with respect to his action or lack of action was at stake. On the basis of those precedents, envoked by the government when they felt it was appropriate and opposed by the government when they felt it was not appropriate, and in looking at the nature of the questions raised by my colleagues, the hon. member for St. John's East (Mr. McGrath) and the hon. member for Hamilton West (Mr. Alexander), which were carefully worded with respect to matters of ministerial responsibility in the broadest sense, I suggest that Your Honour should allow the minister to answer the questions.

Mr. MacFarlane: Good spelling does not make good composition.

Mr. Hnatyshyn: As Your Honour knows, if the minister refuses to answer, there is no obligation under our rules for the minister to answer. If he refuses to answer, and you allow those questions, the minister will stand indicted by his silence.

Some hon. Members: Hear, hear!

Mr. MacFarlane: That is a lot of supposition.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, very briefly, I would like to indicate my support for the observations made by my leader (Mr. Fortin) on the same point of order in the House for very special reasons which concern our democracy. Mr. Speaker, if we believe in this democracy, I think that we shall have to communicate to the whole population of Canada this belief of the parliamentarians, and parliamentarians are certainly entitled to know precisely what were the responsibilities of a minister when he was responsible for the management or the administration of a given department, even if his successor cannot reply to the questions of the parliamentarians or the members of the opposition, according to decisions made at that time by his predecessor.

Mr. Speaker, I think that it is essential for us to know all the details surrounding this search, which has been recognized by its authors as being illegal. Even though this search was illegal and members of parliament know the exact nature of the break-in, this should not humiliate the minister in my opinion, but should make him more responsible and more willing to justify himself in the eyes of the public. But this is what the people want, through their representatives. Today, during whole question period, this very important issue was discussed while there are other questions that are also important and which interest the whole Canadian population. But even though I recognize that your role of Speaker is not always easy, you have to make a ruling and to decide if our rules allow such or such a minister to reply to questions asked by members of parliament during the question period even though he has not held the position involved for two, three, four or five years, as he is still a member of the same cabinet.

In my opinion, if we have to change our rules, we should do so, but we should give the opportunity to someone who is still a minister responsible in the cabinet to reply in this House to the questions asked by members of the opposition during the question period. I am convinced that if we follow this procedure, we shall give the public a better opinion of this institution in which we work.

What I consider above all else is that Parliament is the supreme authority in Canada, and if such supreme authority which we represent cannot obtain information on the activities of the executive power which is called the cabinet, I think it is a breach of democracy, and I fully support the remarks that the leader of the Social Credit Party of Canada has made in the House, absolutely not out of partisanship, something for which I could not care less. What I want to find out is whether, as parliamentarians, we will be able to secure information from the executive members who are in charge of the administration of our country, in whatever department.

[*English*]

Mr. Speaker: Order, please. The point of order has been raised to which reference was made during the question period.

[Mr. Hnatyshyn.]

Of course, it was anticipated that this line of questioning would be put forward today and hon. members would endeavour to put questions to the hon. Minister of Supply and Services (Mr. Goyer) in his former capacity as solicitor general.

There is nothing surprising to me in the presentation of those questions under the circumstances. There is nothing surprising to me in the atmosphere, the very charged atmosphere in the question period, or at the strength of the urgings that were put upon me to change what are well-established practices of the House. Under the circumstances, I do not think any of that is surprising. If we do not have these kinds of discussions in these circumstances in the chamber, then obviously members are not doing their jobs. Therefore, I fully expected all that took place today. That does not make my decision any easier. However, if there are no moments of difficult decisions, then this is not half the job people generally regard it to be. Therefore, I have to be expected to take difficult decisions from time to time. Whether I like the consequences of the decisions or not is really entirely aside. We have to try to maintain some consistency in our practices.

It has been indicated that on a previous occasion a question in these circumstances was permitted by the Speaker. The question was asked by the hon. member for Athabasca (Mr. Yewchuk) and was directed to the Minister of Labour (Mr. Munro). The minister was asked, having been the minister responsible for health at the time this report was initially produced and tabled, if he could explain why the House study was not initiated at that time. The question was answered by the minister when he said that he could not recall at the moment but would check into it with his colleague. That was the question and answer referred to in the precedent cited by the hon. member for Grenville-Carleton. In a subsequent ruling on that I indicated that I do not have the power to prevent a minister from getting to his feet to answer a question. I never have that power; nobody has. Physically I have no power to stop a minister from getting to his feet to say something.

● (1540)

There are many, many circumstances which I was describing in the decision which I gave at that time. There are many discretionary rulings which the Chair has to make during the question period. It has happened to be my practice that I have not endeavoured to burden the House with the reasons for these decisions, which are made very quickly and often several times during the question period. Most members know when they have put a question which is largely argumentative, irrelevant, frivolous or which has some other disability. Members may not be as sensitive to that as the Chair, but we all basically know the difficulty when it occurs. If I were to get on my feet every time I ruled a question out of order and simply went on to another member to attempt to justify my reason, I think I could spend most of the question period doing that.

Hon. members know that I have those discretionary rulings to make. On the other hand, it is clear to me, and I think clear

to hon. members at all times that the most flagrantly argumentative, irrelevant or frivolous question, disrespectful perhaps, in unparliamentary language can be put by a member, and to leave the situation there, ruling the question out of order and preventing a minister from getting to his feet to at least get off a rejoinder is a little unfair. Often it is impossible to prevent a minister who is quick on the trigger from at least making a rejoinder. The Chair does not have the authority to stop someone engaged in that kind of process. By getting up to rule the question out of order or by going to another member, which I often do, I still cannot physically prevent a minister from getting out of his chair to make some kind of an answer. So whether or not the question is out of order, the Chair, so far as I know, does not have authority to stop a minister from speaking.

In some circumstances, while what I think is an innocuous question to a minister may touch upon the minister's former capacity, if it happens to clarify the situation in the House, the goodwill, good judgment and good sense of the member usually will go along with the situation and indicate that it is not an attempt to subvert the rules and procedures of the House but simply to gain information which might make for a more meaningful question period. In those circumstances it seems to me that any Speaker who did not have discretion to allow that sort of thing to happen would be inviting a very technical House indeed, one which I think would be unhappy and unproductive.

In the situation in which we find ourselves, we fall back upon situations which we have been in many times in the past. The clearest situation here is that the present Minister of Supply and Services (Mr. Goyer), in his former capacity as solicitor general, did or did not do things which are of vital interest to the House. That is very clear. The House would be delighted to be able to question the minister. If the House could question the present Minister of Supply and Services on what he did or did not do four or five years ago, it could equally question the hon. member for Windsor West (Mr. Gray); it could equally question the hon. member for Eglinton (Mr. Sharp). The counter proposal to that is no, that is not the way it should be; it should only be so if the member is still in the cabinet. That is a distinction which has not been known to me up to this point and I have never previously been invited to make that distinction.

The judges situation has been raised in argument. At that time I was in the situation of attempting to decide how to apply this rule. There one or two ministers of the Crown had taken a step which was the subject of interest to the House. The fact that they had taken that step was directly connected to their capacity as ministers of the Crown. There could be no question in my mind about that. Were they not ministers of the Crown, the step they had taken would not have had the importance that it did.

For the Chair then to attempt to say that simply because the step itself was not connected with the direct administrative responsibility of the cabinet would, I think, have been to apply this rule in a technical fashion which would have tied the hands of opposition members in an unfair way. I therefore concluded that questions to the ministers who had allegedly done those things were permissible. There was no obligation on the ministers to answer, but the questions ought to be put.

That situation, it seems to me, is a long way from covering the one at the present time, which is similar to ones which have arisen many times in the past, namely: Can members ask a question of a minister in that minister's former capacity? The clear answer given time and time again, without any doubt about our practices and precedents, has been no. It is tied very directly to the theory of ministerial responsibility, that the present incumbent of a ministerial office has responsibility which goes back for all time. It does not stop at the time that that incumbent took office. Therefore there cannot be two people responsible to the House in the parliamentary sense for that continuing responsibility.

If one minister who now occupies that position is responsible through all time for answering questions in this House, that responsibility cannot be shared by another minister who is a former occupant. If it is the wish of the House to change its practices to say that the House ought to be able to ask questions of a previous incumbent, then the House must also be prepared to accept the argument that the responsibility of the present incumbent of that office stops retroactively back at the time that he took office.

I am sure that this House would never be prepared to make that trade-off. If the House does want to do so, then I think the proper route would be for the procedure committee or some other body, a debate in the House or some reduction of the House, to tell me or any other incumbent of this office that the procedures of the House have been changed. Unless and until that happens, that is the clearest, most concise and effective rule which in these circumstances is not capable of any misinterpretation of misunderstanding, namely that no such questions can be put in the question period.

Can the minister be brought to account elsewhere, or can other steps be taken, are questions which are irrelevant to this particular procedural debate. Our practice and precedents make it clear that the limit of questions to be put to a minister in the question period in this House must go to the minister's present ministerial responsibility, and clearly not a previous ministerial responsibility. That is exactly the case in point. Therefore I have no choice in the circumstances except to disallow questions to the present Minister of Supply and Services which relate to his capacity as a former minister at a previous time.

Research Documents

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: According to our revised procedures during this month I should inform the House at this time of the matters to be raised at six o'clock: the hon. member for Churchill (Mr. Smith)—Canadian Broadcasting Corporation—Discontinuation of service to Churchill by radio station CHFC—Corporation policy; the hon. member for York-Sunbury (Mr. Howie)—Manpower—Unemployment in New Brunswick—Proposed comparative study with state of Maine; the hon. member for Vancouver Quadra (Mr. Clarke)—Finance—Proposed formation of private investment corporation to acquire government's interest in Crown corporation.

ROUTINE PROCEEDINGS

[*English*]

GRAIN HANDLING AND TRANSPORTATION COMMISSION

TABLING OF VOLUME TWO OF RESEARCH DOCUMENTS

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to table under Standing Order 41(2) volume two of the research documents and report of the Grain Handling and Transportation Commission.

[*Translation*]

SOCIAL SERVICES ACT

MEASURE TO MODIFY CANADA ASSISTANCE PLAN AND REPEAL VOCATIONAL REHABILITATION OF DISABLED PERSONS ACT

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-57, to authorize the making of contributions by Canada toward the costs of the provision, development, extension and improvement of social services throughout Canada and to amend the Canada Assistance Plan and repeal the Vocational Rehabilitation of Disabled Persons Act in consequence thereof.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,323, 2,465, 2,534, 2,549, 2,552 and 2,644.

[*Text*]

OWNED OR LEASED PROPERTIES IN HAMILTON AREA

Question No. 2,323—**Mr. O'Sullivan:**

1. How many sites does the government own or lease in (a) Hamilton (b) Burlington (c) Stoney Creek (d) Grimsby (e) Oakville (f) Ancaster (g) Dundas, Ontario?

2. What is the estimated value of the properties in each municipality?

3. What is the total area owned or leased in each municipality?

4. How many government departments or agencies have building space, owned or leased, in each municipality?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works):

		Question 1 DPW Number		Question 2 Estimated Value		Question 3 Total Area sq. ft.		Question 4 Agencies	
		Owned[1]	Leased[2]	Owned[3] $	Leased[4] $	Owned[5]	Leased[6]	Owned[7]	Leased[8]
(a)	Hamilton	6	17	8,231,500	1,112,106	369,736	250,416	22	10
(b)	Burlington	1	2	590,300	231,662	29,330	24,954	1	7
(c)	Stoney Creek	1	1	220,700	26,559	5,547	832	1	1
(d)	Grimsby	1	0	350,000	0	9,768	0	1	0
(e)	Oakville	1	2	1,234,300	28,461	37,205	3,840	4	2
(f)	Ancaster	1	0	140,300	0	3,403	0	1	0
(g)	Dundas	1	1	125,000	3,360	11,877	560	1	1

[1] Only sites counted are D.P.W. owned, designated in C.R.P.I.*
[2] Site means address; 2 leases for different/same clients at same address is one site.
[3] Owned value is based on replacement cost less depreciation plus land value.
[4] Leased value is rental payable computed on an annual rent on all sites in 2.
[5] Total area is in rentable square feet, measured in standard fashion, only for roofed premises.
[6] Total area is in rentable sq. ft., according to lease agreement definition of area, only for roofed premises. [7] and [8] "Agencies" includes departments; three postal sites is one agency. Various branches at separate sites such as are leased for M & I are all recorded as one agency called M & I. Owned and leased are recorded separately and an agency may be counted in each. Excluded properties are properties owned or leased by other agencies, properties which D.P.W. only manages, properties loaned or otherwise given without charge. Also excluded from above count are marine installations. Marine installations charged to D.P.W. include a few sites in Hamilton harbour for dredging and the Burlington bridge, where about 1,000 sq. ft. or rentable space is used as a control centre. Values are not available.

* Central Real Property Inventory.

NEW HORIZONS PROGRAMME—CONSTITUENCY OF RICHMOND

Question No. 2,465—**Mr. Beaudoin:**

1. Since the implementation of the New Horizons Programme, has the Constituency of Richmond received any funds and, if so, in what amount?

2. For each project approved, what was the (a) name of the project (b) amount allocated (c) year of acceptance (d) name of the municipality involved (e) number of pensioners concerned?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Yes, in the amount of $154,704.

2.

(c)	(a) and (d)	(b)	(e)
1972-1973			
	Club d'Âge d'Or, Ham-Nord	$ 1,950	80
	Club d'Âge d'Or Tingwick, Tingwick	5,541	86
	Total	$ 7,491	166
1973-1974			
	Club d'Âge d'Or de South Durham, South Durham	$ 4,070	60
	Club D'Âge d'Or de Disraéli, Disraéli	1,916	125
	Club âge d'Or Weedon Inc., Weedon	3,673	500
	Les Retraités de St-Georges de Windsor, St-Georges de Windsor	2,482	40
	Club Nouveaux Horizons, Ham-Nord	1,310	91
	Total	$13,451	816
1974-1975			
	Club de l'Âge d'Or, Bishopton	$ 4,000	61
	Club de l'Âge d'Or, St-Adrien de Ham	3,654	40
	Mouvement des Femmes Chrétiennes et Foyers Chrétiens, Asbestos	3,500	65
	Total	$11,154	166
1975-1976			
	Fraternité 50 Ans et plus, Windsor	$ 4,904	140
	Le Club Joyeux de l'Âge d'Or, Richmond Nord	5,551	50
	Club Âge d'Or, Tingwick	4,084	145
	Centre Communautaire du 3e Âge, St-Fortunat	5,665	61
	Club de l'Âge d'Or de Notre-Dame de Ham, Notre-Dame de Ham	3,299	40
	Les «Amis de Beaulac», Garthby	7,656	40
	Club de l'Amitié, St-Paul de Chester	7,455	63
1975-1976			
	Club de l'Âge d'Or de Weedon, Weedon	2,560	90
	Total	$41,174	629
1976-1977			
	Club de l'Âge d'Or de Wotton, Wotton	$ 5,210	80
	Club de l'Âge d'Or, Durham Sud	4,417	80
	Club de l'Âge d'Or de Ham Nord, Ham Nord	5,136	90
	Club de l'Âge d'Or de Stratford-Centre, Stratford-Centre	11,014	91
	Club d'Âge d'Or de Disraéli, Disraéli	3,360	209
	Club de l'Âge d'Or, Bromptonville	7,902	124
	Foyer de Bromptonville Inc., Bromptonville	3,841	40
	Club des Montagnards, St-Adolphe du Dudswell	5,405	100
	Le Comité des Étoiles du soir, Windsor	9,989	100
	Le Mouvement des Foyers Chrétiens, Asbestos	3,586	138
	Club de l'Âge d'Or de Notre-Dame de Ham, Notre-Dame de Ham	3,995	69
	Association des Retraités d'Asbestos Inc., Asbestos	17,579	400
	Total	$ 81,434	1,521
	Grand total	$154,704	3,298

QUALIFICATION OF IMMIGRANTS FOR COVERAGE UNDER MEDICARE AND HOSPITAL INSURANCE

Question No. 2,534—**Mr. Caccia:**

Is there a waiting period in each province for a landed immigrant before he/she qualifies for coverage under medicare and hospital insurance and, if so, what is the period in each case?

Hon. Marc Lalonde (Minister of National Health and Welfare): All provinces, except British Columbia, provide first day coverage to immigrants who are bona fide residents. In British Columbia, new residents can obtain coverage from the first day of the third month from the date of assuming residence in the province. A commercial plan offers temporary coverage for landed immigrants residing in British Columbia until they become eligible for coverage under the British Columbia public plans. In the case of most plans, eligibility for coverage is contingent upon registration, and payment of any required premium, within the appropriate grace period.

Order Paper Questions

COST OF LITERATURE PRODUCTION

Question No. 2,549—**Mr. Johnston:**

What was the total cost of producing the literature on the metric system?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: The total cost to Metric Commission Canada of producing literature on the metric system in the fiscal years 1971-1972 to 1975-1976 inclusive was $671,063.

RCMP TUNICS WHILE ON DUTY IN FRONT OF PARLIAMENT BUILDINGS

Question No. 2,552—**Mr. Cossitt:**

1. Is June 30 the customary date for members of the RCMP to commence wearing their red tunics while on duty in front of the Parliament Buildings and, if not, what is the date?

2. Is the government aware of complaints by visitors, including tourists to Parliament Hill, prior to the date such tunics are worn and, if so, will the government give consideration to setting an earlier date for what has become a symbol of Canada to many foreign visitors and, if not, for what reason?

Hon. Francis Fox (Solicitor General): 1. No; this year, 1977, RCMP members in red tunics will be positioned on Parliament Hill from June 15th to September 15th.

2. No; see answer to Part one; not applicable.

PRODUCTION OF FEED GRAINS

Question No. 2,644—**Mr. Lambert (Bellechasse):**

1. During the fiscal year 1976-77, did the government sign an agreement with the Government of Quebec to promote a larger production of feed grains in Quebec and, if so, will the government make a financial contribution towards the implementation of the programme?

2. What votes were affected by the programme in the 1977-78 estimates?

Hon. E. F. Whelan (Minister of Agriculture): 1. No.

2. None.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[Mr. Lalonde.]

• (1550)

MOTION TO ADJOURN—MOTION UNDER S.O. 26

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED COVER-UP OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the appropriateness and the desirability of the motion I am about to move has been made abundantly clear this afternoon. I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the clear possibility of a conspiracy concerning the concealment of evidence or the failure to take appropriate action pertaining to the illegal break-in by three police officers at L'Agence de Presse Libre on the night of October 6-7, 1972.

Mr. Speaker: Order, please. In accordance with Standing Order 26, the hon. member for Oshawa-Whitby (Mr. Broadbent) gave the Chair notice this morning of his intention to seek at this time leave of the House to move the adjournment of the House pursuant to Standing Order 26 for the purpose of considering the matter described by him. I have just indicated that in making rulings during the question period it is not for the Chair to decide on the desirability of a line of questioning or the desirability of the practices that the House follows and that the Chair endeavours to enforce. It is for the Chair to decide whether or not the procedures of the House are being applied and obeyed in certain circumstances. That is the judgment that the Chair always has to make without attempting to evaluate the probity or desirability of certain procedures.

What I have to decide in this instance, which is related to the same subject but in a different way, is, having regard to the subject matter and the circumstances, whether this is a subject which is appropriate to be discussed pursuant to Standing Order 26. Standing Order 26 is a very important part of our Standing Orders and if the Chair were to take the attitude, as has happened frequently in the past, particularly on matters of unemployment when I have had occasion to rule that the questions raised on unemployment are a matter of continuing concern and not a proper subject for debate under Standing Order 26, it would be regrettable.

I must confess to some misgivings and some unhappiness in most of the rulings I have to make under Standing Order 26 because there is an impression that the Chair can be found to be so technical and so difficult in the application of the language of Standing Order 26 that no one can succeed in persuading the House that the Standing Order should be used for debate. That is a regrettable posture because, as we have all heard, many people express concern about the relevancy of discussions in the House, and if there is one thing that can be said about motions pursuant to this Standing Order, it is

always that they are on a relevant matter, always on a matter which has the attention of the country at the time, and therefore a matter that can quite appropriately be discussed in general terms.

That does not alter the fact that frequently in the past—and, I suppose, frequently in the future—I have had to and will have to turn down motions because their continuing nature does not fall under the kind of precise and critical aspect of the language of Standing Order 26. The Standing Order clearly defines, not something which will be discussed under a bill, in a throne speech debate or a budget debate and not something which is the subject matter of day to day questioning, a matter of general policy or a matter of concern to the country, but a precise problem which the House will not have an opportunity to discuss at another time or in another way and which, within the language of the Standing Order, is a matter of specific importance requiring urgent consideration.

The question that has been raised here is the result of a statement on Friday by the Solicitor General (Mr. Fox). The hon. member's statement in support of his argument for the invocation of this order contains certain allegations and propositions. I think it is not for the Chair to evaluate them but to accept them as part of an argument in favour of the Standing Order. It is not for the Chair to decide what practices may or may not be followed. I am confronted with the Standing Order and the subject matter, and upon reading the Standing Order if I find that this subject matter does not qualify for debate pursuant to the Standing Order, we may as well take the Standing Order off the books. I therefore accept the hon. member's application and order that within the framework of the Standing Order we should provide for a debate on the subject matter raised by the hon. member.

However, I must point out that we are facing some extraordinary difficulties. During this month of June the House is sitting extra hours. It is also at present in the midst of a debate which, as provided by statute, must run for a certain maximum number of days without interruption. Ordinarily the Chair is in a position of setting eight o'clock for the hour at which this debate would commence. I cannot do that without offending the statute which provides that the debate must run without interruption. There is some comment, which is perhaps in the nature of speculation, that the debate on the anti-inflation program may be concluded before it runs its full course. I have no way of knowing that. In the circumstances, I wonder if hon. members would permit me to hold over my decision on the timing of the debate until tomorrow. My thinking of course would be that if the current statutory debate concludes today, tomorrow would be an ordinary day for government business, I presume, and I could then set eight o'clock tomorrow night for this debate. If that is not the case, then I am faced with a different set of circumstances and I would have to attempt to reconcile the statutory order under which we are now debating the anti-inflation program and this motion under Standing Order 26. That may be obviated by events which will take place later today, and if not, I could deal with it when the House assembles for routine proceedings tomorrow.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

PETITION TO END CONTROLS ON JUNE 30, 1977

The House resumed from Friday, June 17, consideration of the motion of Mr. Stevens:

That the Anti-Inflation Act being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada 1974-75-76, shall expire on the 30th June, 1977.

Mr. Lorne Nystrom (Yorkton-Melville): Last Friday I was some 16 minutes into my remarks on the motion before the House, and I was talking about two aspects of the motion moved by the Conservative Party, namely, the inequity of the AIB program pertaining to salaries of ordinary working people as compared with salaries of executives, and also the inequity of the program when you compare the wages of ordinary working people and the profits of large corporations.

I have before me a list of 51 corporate executives who received salary increases last year of more than $2,400 a year when ordinary working people where told to limit their salary increases to $2,400, and in many cases much less than that. In many cases they were given contracts increasing their salaries up to $2,400, but then those increases were rolled back by the AIB. I put on the record of the House some examples of those huge salary increases and I was speaking about Kaiser Resources Limited and about the vice-president of that company named Howard Cadinha who had a salary increase last year of some $10,415. I was about to go on to Edgar Kaiser, the junior president of Kaiser Resources Limited. He is the one who would really make the hair on the head of the hon. member for Nickel Belt (Mr. Rodriguez) turn grey. That guy had a salary in 1975 amounting to $206,637 and in 1976, despite the AIB regulations his salary was increased by $60,363, an increase roughly equal to the Prime Minister's (Mr. Trudeau) salary. Yet AIB did nothing about it. So now Mr. Edgar Kaiser, junior president, has a salary of $267,000, with a salary increase of some 22.9 per cent.

Now I move on to Massey-Ferguson Limited, a well known company in the prairies. The president of that company, Albert Thornbrough had a salary in 1975 of some $353,833. Last year he had a salary increase of $20,000 a year, to bring his salary up to $373,833. I am sure the hair on the head of the hon. member for Nickel Belt will start to fall off. Also, as the hon. member mentioned, this fellow has not paid anywhere near the tax he should be paying.

● (1600)

J. E. Mitchell, executive vice-president of Massey-Ferguson, received a salary increase of $15,000 last year, raising his to over $230,000. That increase was untouched by the AIB. The senior vice-president of the company, a fellow named J. G. Staiger, received a salary increase of $6,000. He is the pauper of the trio: he makes only $192,836. I now move to Hudson's Bay Oil and Gas Company, of Calgary. The president of that

company is D. C. Jones. His salary increase last year was $12,850, bringing his salary up to $140,750. Then we have Hudson Bay Mining and Smelting Company, of Toronto. The chairman of that company is H. R. Fraser. His salary increase was $11,900 last year. Smiley Raborn, president of CanDel Oil Limited of Calgary, received a salary increase of $13,250 last year.

Mr. Rodriguez: He is smiling from ear to ear.

Mr. Nystrom: Last year, Mr. Raborn's salary was $155,450.

Mr. Rodriguez: Is Inco listed on there?

Mr. Nystrom: Inco is not on this list, but the list may be incomplete. It is very difficult to get figures like these from the Canadian government. I must say that I am really embarrassed. I obtained the list from which I am reading from the security and exchange commission in Washington. This is not even a Canadian list. The document came from our good friends in the United States. The executive vice-president and treasurer of the CanDel Oil Company in Calgary, Michael A. Williams, received a salary increase or $7,950 last year. Douglas H. Church, senior vice-president and manager of operations, received a salary increase of $6,300.

Now I will move to the twenty-fourth of the 26 companies I am listing. That company is Canadian Homestead Oil Limited, of Calgary. The president of that company is B. W. Watson. His salary increase last year was $22,917, an increase of 71.4 per cent. His original salary was $32,083. Now it is up to $55,000. The deputy chairman of Genstar Limited, of Montreal, Charles deBar, received a salary increase of $8,100 last year, and if we add what is called incentives, his increase was $26,183—an increase of 32.1 per cent.

Angus MacNaughton, vice-chairman and chief executive of Genstar, received an increase, including incentives, of $29,168 an increase of 34.5 per cent. Ross Turner, president and executive officer of Genstar, received a salary increase, including incentives, of $40,594. That is a higher amount that the whole salary of hon. members of this House, including their expenses. That increase was 68.1 per cent. Mr. Turner's salary, including incentives, increased from $59,590 to $100,-184. That was during the year of the AIB. Finally, James Nielson, president and chief executive officer of Husky Oil, of Calgary, received an increase of $10,504, or 9.9 per cent.

As I have said a couple of times already, the source of these statistics is company records received from the security and exchange commission in Washington, D. C. I submit that the list is terribly incomplete. I suppose we could add dozens and dozens of other company executives who received salary increases of well over $2,400. It is a real shame when the government limits the salary increase of ordinary Canadians to $2,400 per year when the largest increase to date is $60,000 for a business executive of a private company. How can ordinary Canadians be expected to trust the government or to support this program when they see this kind of abuse being sanctioned by the government? There is no way ordinary Canadians can support this type of program or see it as fair and just. There is not one Liberal opposite who would go back to his or her constituency and defend this type of inequity.

I would like, now, to move to the second aspect which I think is unfair about the program. Some companies have been treated differently from trade unions and people who work for a living in this country. Many companies have had huge profit increases. They have been able to do that because of various loopholes in the AIB legislation. I will refer to as many companies as I can in the next five or ten minutes I have at my disposal. First, I will deal with development land companies. Genstar had a profit increase last year of 43.5 per cent. Daon Development had a profit increase of 16.1 per cent.

Mr. Breau: Give the absolute figures.

Mr. Francis: Give the losses sometimes, too.

Mr. Nystrom: I will give some absolute figures. There is not time to give them all, but I will go back to Genstar. In 1975 Genstar's net income was $7.266 million. In 1976, its net income was $10.429 million—an increase of some 43.5 per cent.

Mr. Rodriguez: Workers can't get increases like that.

Mr. Nystrom: That is a huge profit increase.

Mr. Francis: Anybody can play with statistics.

Mr. Nystrom: Carma Developers had a profit increase of 43.5 per cent last year. In the three months ending March 31, its profit increase was 92.6 per cent. It is very interesting that when I start talking about huge profit increases and start getting critical about them, all of a sudden the hon. member for Ottawa West (Mr. Francis) and other hon. members start defending their corporate friends. However, when workers are attacked day in and day out, we do not hear any Liberals defending them.

Mr. Francis: Mr. Speaker, I rise on a point of order. I made no specific references to friends; I merely made reference to the very biased selection of statistics the hon. member is quoting. He is quoting only the companies with profits, and he is distorting the base years on which he is making percentage comparisons.

Mr. Nystrom: Mr. Speaker, in a way, the hon. member is right. I am quoting only certain statistics. I am quoting statistics regarding corporations which had huge profit increases last year. I am doing that because I believe all companies and all individuals should be treated the same under the anti-inflation program. Companies should not have been allowed to make huge profit increases last year when the anti-inflation program was in effect. If we are going to control the salaries of workers and ordinary people in this country, we should control the incomes of corporations and the prices these corporations charge the ordinary consumer in Canada. Abacus Cities net income in 1975 was $1.520 million. That went up to $4.792 million one year later. That was a profit increase of 215.3 per cent. Melcor Development had a profit increase of

23.4 per cent in 1976. Marathon Realty—and I know some of my Liberal friends are interested in Marathon Realty—

Mr. Rodriguez: Concerned.

Mr. Nystrom: —had a profit increase of 36.2 per cent in 1976, over 1975. Nu-West Developers showed a profit increase of 21.8 per cent at the end of last year. Sifton Properties—again, a very well known development corporation—showed a profit increase of 54.1 per cent at the end of last year. These companies are land developers. We should turn our attention to the activities of land developers as well as to the profits they are making.

I move now to trust companies. Montreal Trust had a profit increase of 16.7 per cent in 1976. In the three months ending March 31, the increase was 39.1 per cent. Victoria and Grey Trust Company had a profit increase of 18.4 per cent. Commerce Capital Trust had a profit increase of 31.5 per cent. Fidelity Mortgage and Savings had a profit increase of 46 per cent. Crown Trust had a profit increase of 23.6 per cent. Heritage Savings and Trust had a profit increase of 76.9 per cent. City Savings and Trust had a profit increase of 62.7 per cent. Canada Trustco Mortgage had a profit increase of 25.5 per cent. Central and Eastern Trust had a profit increase of 9.4 per cent.

• (1610)

I now move on to utilities. Calgary Power had a profit increase of 44.4 per cent; Newfoundland Telephone, 31.6 per cent; Island Telephone, 16 per cent; Quebec Telephone, 6.1 per cent; Alberta Gas Trunk Line, 51.3 per cent; Trans-Canada Pipelines, 26.5 per cent; Consolidated Pipelines, 20.1 per cent. Now some of my favourites, the food and beverage industry. In the 12 weeks to March 20, B.C. Packers had a profit increase of 45.1 per cent; Corporate Foods, 13.8 per cent; Borden Foods, 21.5 per cent; Jannock Industries, 48.1 per cent; Ogilvie Mills, 36.9 per cent; Labatt, 17.7 per cent; Seagram, 20.5 per cent—for the first nine months of the year; Royal Oak Dairies, 32.1 per cent; Maple Leaf Mill, 7.1 per cent. Next come the media, broadcasting and cable TV companies. Bushnell Communications, 70.3 per cent; CFCN, 56.2 per cent; Maclean Hunter Cable TV, 37.9 per cent; Maclean Hunter, 21.2 per cent; Baton Broadcasting, 26.4 per cent; Moffatt Communications—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I am pleased to be able to take part in this debate. I think it entirely appropriate that I begin by expressing my very great appreciation and that of my colleagues for the outstanding work that has been done both in introducing this motion, arguing the motion and fighting the government on it, by the hon. member for York-Simcoe (Mr. Stevens).

Some hon. Members: Hear, hear!

Mr. Clark: The primary purpose of this debate was to give the government an opportunity to begin moving out of the controls program. Tonight we will see how successful we have been or whether, instead of accepting that opportunity, the government will continue to vote the party line and keep Canadians in controls and suspense. The other purpose was to give the government an opportunity to say, if they are not to end controls, precisely what they intend to do about the economic policy of this country and the termination of the controls program.

Unfortunately, in all speeches by members from the other side, the government has refused to take that opportunity, so Canadians remain in the dark about the government's plans for the termination of controls. That causes particular difficulty to the thousands of millions of Canadians who have to make plans, who have to know with certainty what the government is going to do, and what the shape of policy is going to be. Canadians have received no direction, no leadership at all from this government.

Mr. Roy (Laval): What about the results? You know the results.

An hon. Member: They could not be worse.

Mr. Clark: I am not sure if the hon. member is talking about the results of the economy, about the one million Canadians out of work, or if he is talking about the result of the trip to Africa by the Minister of Supply and Services (Mr. Goyer).

An hon. Member: This is going to put him out of work.

Mr. Roy (Laval): The last Gallup poll is the result.

[*Translation*]

Mr. Clark: Maybe he is referring to the recent by-elections in Quebec, where the Progressive Conservative party had a larger increase in popular vote than any other party.

[*English*]

On July 1 this country is going to celebrate its one-hundred and tenth birthday with a program on which the government intends to spend millions of dollars on public relations in the cause of national unity. What they could have done, instead, by accepting this motion, would have been to give some substance to national unity on that day by showing the kind of leadership that the national government should show. I do not begrudge the Prime Minister (Mr. Trudeau) demonstrating his renewed interest in the Crown. I am not surprised that the newest member of cabinet, the Minister without Portfolio (Mr. Horner), should rush to make use of government aircraft so that he can be as far away as possible from this House when we vote on the metric bill.

Some hon. Members: Hear, hear!

Mr. Clark: I can quite understand the Minister of Supply and Services spending so much of his time in Africa. I think if

he is going to stay in the cabinet it would be very much in the national interest to keep him as far away as possible for as long as anyone will take him.

Miss MacDonald: Pity the people of Africa.

Mr. Clark: Those are the privileges of office. Sometimes they are properly used but often so abused by this government. But, sir, there is more to office than privilege. There is also responsibility—responsibility to lead; responsibility to do what is right, even if the kind of public opinion polls cited by the minister the other day indicate that what is right might be temporarily unpopular. Nowhere is that kind of leadership more needed now and more absent than on the question of controls and the future direction of the economy of Canada.

This government has already been irresponsible enough on controls. When my predecessor, the hon. member for Halifax (Mr. Stanfield), had the courage to propose what was necessary in 1974, the government, and particularly the Prime Minister, responded with the kind of irresponsibility that has lost him forever any trust that he might have enjoyed among members of this House. Many of the people of Canada will not soon forget the Prime Minister pointing his finger and saying, "Zap—you are frozen", condemning the program which a year later he implemented.

That proposal, that discrepancy, that inconsistency, that spending, that foolish wasting of public trust by the Prime Minister, is not at all a joke for Canadians. It is a very serious betrayal of trust. It is one of the reasons Canadians, whether members of organized labour, those who are not members of unions, whether in business or private citizens, do not trust this government now and will not trust this government until we have at least an indication of when and how it intends to end controls and begin to restore growth to the economy.

The major problem in Canada now is a problem of confidence. Instead of confidence we have a con game going: we have hints about when controls might end. We have a number of options that might be considered by the government. But we have seen nothing that the people of Canada can count on when they make the plans they need to make. No leadership has been shown in regard to the future of Canada and the context in which individual decisions must be made.

I do not want to debate what the anti-inflation program has accomplished for Canada. I am quite prepared to be generous and admit that in the early months it may well have helped to reduce inflationary expectations. But that benefit has long since passed. Today we have a program that is full of injustices. The hon. member who spoke before me cited some of these. We have a program that has become a model of bureaucratic empire-building, a program that is seriously undermining investor confidence and planning in this country. That is the program which this government intends to keep in place indefinitely so far as we know—and we have to ask why. The most charitable explanation is that the Minister of Finance (Mr. Macdonald) and his advisers are paralysed. They know they have not dealt with any of the fundamental problems of this country and they do not begin to know how they will deal with them. So they have let controls linger on as a kind of security blanket, in order to hide their own indecision. Sir, we sometimes call the Minister of Finance "Big Mac". A better name would probably be "Linus".

● (1620)

Some hon. Members: Hear, hear!

Mr. Clark: The only other explanation for this government's refusal to end the AIB program is that the government does not want to end controls. This is, after all, the government which loves to meddle in the affairs and individual lives of Canadians, which believes it knows better than anybody else does, and that only it can decide what is in the best interest of all of us. The hon. member for Davenport (Mr. Caccia), who is in this House, participated in the debate the other night and spoke of a disciplined economy. That phrase has the kind of authoritarian ring the Prime Minister finds so attractive, but which most citizens of this country find so alarming or offensive.

We all know, sir, that it is not what the Minister of Finance believes or wants that is important. He concedes, as he has in committee and in this House, that this is the right time for the economy to begin the decontrol process. But in the end it is not the view of the Minister of Finance which counts, but that of the Prime Minister of Canada. And who knows what the Prime Minister believes? Perhaps he will take the opportunity in the remaining hours of this debate to come in and tell the House about the economy of Canada. He has not spoken in the House of Commons in this calendar year. Perhaps he would like to take this opportunity to come in and set forth for Canadians an indication of the goals he is pursuing and the plans he is following for the development of the Canadian economy. Until he does that we only have the record of things he says outside this House.

All of us can remember his statement made in December, 1975, about the failure of the free market system. Last summer, of course, he was reconverted to the free market system. Now we have the interview in *Le Monde*, quoted the other night by the hon. member for Halifax, in which the Prime Minister said it would be foolish to end controls before an election. My colleague from Halifax called that the teachings of some kind of post-Galbraithian school. It strikes me, sir, as pure Keith Davey, if one can apply that adjective these days.

Mr. Baker (Grenville-Carleton): He is a Poll-horse.

Mr. Clark: The point is, the Prime Minister was dishonest with the country when he introduced controls. We have no reason to believe he will be any more honest in removing controls. Sir, I missed the debate the other day and I regret that. But I read with interest the contribution made by the President of the Treasury Board (Mr. Andras). In his contribution, he claimed that the government had achieved what he called "more than a modest measure of success" in restraining its own expenditures. The truth of the matter is that this administration has been on the biggest spending spree in Canadian history. In its first year of office it spent $9 billion.

This year it plans to spend almost $45 billion—an increase of 500 per cent. The minister calls that restraint. The hard reality is that, thanks to a decade of total irresponsibility by the government, the national finances of this country are virtually out of control. One need look no further than the last budget of the Minister of Finance for confirmation of that fact. This government has spent so much and planned so badly that the budget runs a $7 billion deficit and still leaves more than one million Canadians out of work. This government has spent itself right out of any opportunity to exercise a positive influence on the Canadian economy.

Sir, faced even with this dismal record, the most this government is prepared to commit itself to regarding restraint is to hold the line, to hold its spending increase to the rate of increase of the gross national product. Having governed for a decade in which the proportion of gross national product taken by governments has climbed from 29 per cent to 43 per cent, this government now says it is prepared to level off for a while. That is just not good enough. We on this side of the House are committed to reducing the government's take from the economy—not keeping it at a constant level—because that is an essential first step to restoring confidence in the Canadian economy.

We have had controls in this country, sir, for 20 months—20 months during which we might have expected some initiative by this government to deal with some of our more deeply-rooted Canadian economic problems. You will remember, sir, that when this program was introduced in the dark of the night, without any warning, on pre-empted television time—as has become too much of a habit of the government—the government gave us a long litany of commitments, of things they were going to do during the period of controls. We were to get a comprehensive energy policy. Where is that comprehensive energy policy?

Mr. Baker (Grenville-Carleton): We do not even have a comprehensible minister.

Mr. Clark: We do not have a comprehensible minister, and we do not have a comprehensive energy policy which we were promised as a condition for accepting this period of controls. We were told we were going to have a national food policy which would be brought in during the period of controls. We now have a document, introduced the other day by Mutt and Jeff—I do not know which minister is which—and the ministers cannot agree if it is a policy or strategy. They cannot even agree on the semantics, let alone on its substance. That is the second absolute failure to keep a promise which was made as a condition for accepting controls.

We were told we would have an effective housing program. We must admit that the control program has had some effect on housing in this country. It has driven a great deal of the investment which could be made in Canadian housing, south of the border so that there are houses in the United States which could have been built in Canada if it were not for the controls program we have in place right now.

We were told that there would be, as part of the condition for accepting controls, an examination of regulatory policy. We have not had an examination of regulatory policy, but we have had a proliferation of regulations. We were also told that we were to have, if we accepted controls, an improved system of collective bargaining. As my colleague from Vancouver South (Mr. Fraser) said the other night when he participated in this debate, we have had nothing of the kind, because the government of Canada has not made any serious effort to use the time we bought with controls to bring about the reforms which Canadians were promised as a condition for accepting controls.

However, we have had one other activity during this period. We have had a multitude of meetings and discussions around a concept called voluntary restraint. This process, as the House recalls, started more than three years ago under the previous minister of finance, and to this day—I am not sure of his name—no one knows exactly what the Government of Canada is expecting from business and labour in the matter of voluntary restraint. But they are asking for changes from meeting to meeting and speech to speech.

In this debate, the Minister of Finance said that he wants "further assurances as to the active advocacy of policies of restraint we can expect from these groups." That means he wants them to get out and actively advocate restraint which, as one must admit, is entirely consistent—because that is all the government has been doing in the name of restraint throughout the controls program. Of course, he asks of business and labour a commitment to participate in his semi-annual talk-in, that process of public education from which, in the best traditions of this government, the public and the House of Commons will be barred. Sir, that is simply a farce. With great respect, the minister knows it is a farce. We accuse the Minister of Finance of a lot of things, but nobody on this side has ever accused him of being stupid. He is not stupid. He knows that the people he is talking to cannot give him any binding commitments on behalf of business or labour.

Mr. Fraser: Right on.

• (1630)

Mr. Clark: He knows, too, that there is not a room big enough to get into it all the people, the thousands of economic decision-makers in this country, who would have to join in a massive cartel to create any meaningful program of voluntary restraint. The minister knows that, yet he plunges on with the charade. Why? Because it is a convenient substitute for the government accepting its responsibility to lead. Even more seriously, because it is a convenient set-up for this government to play its favourite game of blaming the other guy for all the country's problems. It is a set-up to make the people of Canada believe that only the irresponsibility of the private sector is preventing concrete action in this area. Sir, that is not only dishonest; it is totally unfair to business and labour leaders who have shown more responsibility in this matter than anyone on the government benches.

Some hon. Members: Hear, hear!

Mr. Clark: I would be remiss if I did not at least acknowledge the contribution made to this debate by the hon. member for Oshawa-Whitby (Mr. Broadbent). He has, to give him credit, a simple and straightforward position. In his view, the major weakness of the present controls program is that it does not control enough. He advocates a national incomes policy which, as I read it, amounts to government assuming the role of national paymaster, deciding how much each sector of our society should get from the economy. As I say, sir, it has at least a certain simplicity to it. I have to ask myself whether the member for Oshawa-Whitby has enunciated that concept to his friends in the labour movement. But, then, I suppose organized labour is prepared to concede the odd aberration to my friends on the left in the practical comfort that they will never have the opportunity to implement this or any other of their unrealistic proposals.

Some hon. Members: Hear, hear!

Mr. Clark: We realize, Mr. Speaker, that there is never an easy way or a right time to get out of controls. However, we submit—and we seem to have the support of the Minister of Finance on this point—that our present economic circumstances, with the large amount of unused capacity we now have in our economy, is as good a setting as any in which to begin the decontrol process. The circumstances now are as good as they are going to get. To wait would be irresponsible. Waiting would mean we would have to face decontrols—if the Prime Minister ever lets us face decontrols—in an atmosphere that is not as effective as the present one.

We accept that, even with a stagnant economy, there could be short-term price and wage pressures, and we have advocated a series of proposals to deal with any such pressures which might arise. I will summarize the proposals made by my colleague. We want legislative action to ensure that rulings by the AIB and the administrator retain their effect even if the AIB is dismantled. I note from his remarks the other night that the Minister of Finance accepts that proposal.

Mr. Fraser: After we put it forward.

Mr. Clark: As my colleague from Vancouver South says, "after we put it forward". We want a monitoring agency established within the Department of Consumer and Corporate Affairs. That is a proposal the minister does not accept, for very good reason. The monitoring agency under Consumer Affairs is too small for him. It is not a big enough bureaucracy. He will not accept anything that will not allow the bureaucracy to grow larger and larger. We believe that a monitoring agency within the Department of Consumer and Corporate Affairs could do the job that needs to be done to get us out of the controls program.

Some hon. Members: Hear, hear!

Mr. Clark: We would, as my colleague said in his remarks, require corporations and unions to provide 30 days' notice of price and wage increases. We want the cabinet to have ultimate power—

Mr. Caccia: Great idea.

Mr. Clark: I am a little suspicious of receiving any support from the auspices of anyone who wants to have so much control over the economy as the hon. member for Davenport. I am pleased, at least, to learn that he is listening. We want the cabinet to have the ultimate power to roll back any such increases which are deemed to be clearly excessive and contrary to the public interest. We recognize that this may require some legislation; but after all, that is what parliament is all about. If we need to have some legislation to build in that power, we will do it.

The Minister of Finance raised a red herring the other night suggesting there would be no authority for the parliament of Canada to do that. I simply make one suggestion which I would have thought would have occurred to the minister. The Supreme Court of Canada has already ceded the roll-back authority to one federal agency, the Anti-Inflation Board. It would be a simple matter to have that extended to another federal agency, the most senior agency, the cabinet of Canada. That, sir, is a concrete program. It is a specific program. It is a workable program. I have no hesitation in offering it as a constructive alternative to the minister's "first in, first out" system which will lead to all kinds of inequities and which, in all likelihood, will stretch out the present program at least to the end of 1978.

As the hon. member for York-Simcoe made clear the other night, one of the things that this government may be considering—we do not know, and this adds to the climate of uncertainty, making it impossible for Canadians to plan—is a date for the beginning of a decontrols regime which would, in effect, mean that controls would stay in place for most of the corporations and large unions in this country until the end of 1978. That is pretty good hocus-pocus, but it is pretty dangerous economics for a country like Canada. This debate has centred on a specific question, the timing and nature of the decontrols process. In a way, it has also focused on some much larger questions and some basic differences among the parties in this House. As I already have indicated, the NDP, to give them credit, operate from the basis of a consistent ideology. They have no faith in the free market system, and they have every faith in the ability of government to plan and to manage society in infinite detail. I totally reject that ideology, but at least I give them credit for having one.

This government, of course, has no ideology at all. To it, principle is something you collect interest on, preferably at elections. There was no more damning evidence of that than the emphasis the Minister of Finance placed in this debate on opinion polls and the short-term politics of decontrols. In place of principle this government is prepared to do literally anything that its backroom manipulators deem to be politically convenient, because the single thing in which this government believes is its own right to direct the lives of Canadians.

Even putting aside principle and morality, the problem with that approach, sir, is that it simply does not work. Having flip-flopped into controls, they have done nothing whatsoever to make constructive use of the time which controls could have

bought for them. Faced with a dramatic new challenge to the unity of our country, they have produced not a single positive response except to create two or more new bureaucracies in the Privy Council.

We, on this side of the House, are prepared to exercise the powers of government when we believe it is the responsible thing to do, as witness our proposals for the decontrols period. But we advocate that kind of action only when we feel it is essential, and only because government is the only collective mechanism available to us—most certainly not because we believe we are smarter than Canadians or because we believe we have some right to direct the lives of the private citizens of this country.

● (1640)

There are any number of imperfections in our economy as, indeed, there are in our society. But surely it is time we began to question whether the constant cure of government intervention is not a more serious sickness than the ailments it claims to treat.

Mr. Speaker, the most disturbing thing about Canada right now is that we have lost confidence in ourselves—and this in a country which has more reason to be confident than virtually any other in the world. But how can Canadians have confidence when their national government's every act is to breed suspicion, confrontation and distrust? How can Canadians believe in themselves when their national government doesn't believe in them?

Removing the wage and price controls program will not solve the problem, but perhaps it can be a start. Perhaps it can be at least a beginning in showing some trust and confidence in Canadians. I have that kind of trust and confidence in Canada, and I invite every member of this House to express that same trust and confidence by supporting this motion.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the current context of all those systems maintained and nurtured by the old parties to try and control inflation, one is reminded of the story of that fellow who raised skunks and tried to control the smell. Because at the start, the smell is quite awkward. But after a while, one gets used to it to the point it does not bother too much. So it is with inflation. The first experiences are stifling, but after a while it goes almost unnoticed. Although the smell is there.

While prices and banking and multinational profits are going up through the elevator, wages and small and medium businesses profits have to climb a slow flight of stairs. Inflation is in my view an imaginary "gimmick" thought of by the government and its so-called economists to ignore the fact and entertain the illusion that everything is well, there is nothing to be done, it is a necessary evil, and all that is needed is to tolerate the smell and let the skunk get older, but while the inflationary virus is getting deeper and putting the government to sleep, there are in this country more than 503,000 students and young workers that will be unemployed during the coming season. Labour is facing a number of impossible problems. Farmers are almost to the point of letting everything go, while senior citizens see their savings are being eroded daily.

The Anti-Inflation Board simply permitted that people in the small income group be subjected to controls, while banks and multinational corporations went on scot-free their golden way.

As I said, the first ones hit by that cancer are people in the low income group, non-unionized and even unionized workers. Other victims are non indexed bond holders and small savers. Private sector pensioners and all those living off allowances have lost half the initial value of their money. While inflation is gnawing at small income people, the moneyed classes invest their loot in real estate and, finally, we end up with the situation we see now—the bankruptcy of small- and medium-sized businesses and the growth of large fortunes.

Indeed, chartered banks' assets have increased by $16 billion in 1975-76 and are now showing an annual increase of $25 billion when calculated on the basis of the assets accrued for the five first months of this year, that is $12 billion. What is worse is that people responsible for that state of things have all gone into hiding. Thus unions are blamed for inflation. When workers are not blamed for inflation, industries are. And when individuals are not blamed, consumers are. Everybody has his turn. Of course, we shall not attempt to absolve completely those groups. However, those actions are for the most part defensive reactions rather than initial causes. It is like the individual pushed from the top of a cliff, who grasps a rope and drags someone else down with him. If the first one had not been pushed, the other should not have been dragged.

As we could see, inflation is the major problem in Canada today. We could even say that all other problems would disappear for the most part if we could eliminate inflation. Yes, because inflation steals the savings and revenues from Canadians. This is why we were disappointed when the Speech from the Throne and the subsequent statements by the government did not mention the only measure that really succeeded among all so-called anti-inflationist measures made until now by this government, I mean the subsidy that eliminates directly production costs. The subsidies to dairy producers are the best example. Canadian consumers benefited from lower prices through that program and we deplore its end. Of course, we could still improve the way those subsidies are paid. One of the rare good things said by Mrs. Plumptre, the chairman of the Food Prices Review Board is: This program might become a racket to the advantage of producers. We agree on this. The subsidies should improve the capacity of consumers to express their needs to producers and retailers. For that reason, subsidies should be given at the retailer level when the consumer has really made his choice among the various products. We can only wonder why the government do not continue that experience which demonstrated the efficiency of creating credit to reduce costs rather than increasing production and production costs.

We from the Social Credit Party of Canada want to see an extension of that policy. In fact, a universal discount on retail

prices is advisable as we know it is the only means to increase the purchasing power without increasing prices. Unfortunately, this government cut off those efficient subsidies against price increases. But the money now earned by workers in the industry will be spent tomorrow and will leave behind a series of costs which will be felt on the market when people can no longer afford to pay them. The approach chosen by the government does not solve the basic problem, it only delays the inevitable confrontation. And when you delay the time of fighting, it is not a cat you face in the end, but a tiger.

In the present circumstances, it is absolute nonsense to claim that by increasing production we will be able to reduce inflation. This idea has been proven false many times but it is always the last resort of those who cannot understand that our major economic problem is not production, but consuming and distribution. The events we see unfolding before our eyes today are very similar to those of the crisis of the thirties. At that time, surpluses of produce were destroyed, while people were in need of them. We must not produce more eggs in Canada. However, we must see to the distribution of eggs already produced. one year ago, a beef shortage was anticipated, but the picture has changed completely; our beef producers anticipate large surpluses and are developing plans aimed at convincing Canadians to eat more beef.

If there truly are shortages of several products, it is because of problems which did not exist in a healthy monetary system. We have only to recall the famous paper shortage of recent date. Can someone seriously suggest that we have exhausted our forest resources in Canada? No. The shortages are caused by strikes, price inflation and a general economic slowdown. Canada has so much resources that it is nearly unbelievable and, if they are well used, our natural resources and technical capacities can easily meet the material needs of the whole population and even of a much greater population than the present one.

Some people will probably say that the financing of lower prices is another daydream of the Social Crediters, another instance of funny money. Unfortunately for the critics, the federal government has shown the practical and effective nature of this suggestion. Some will say that it is not an orthodox approach to the situation. But since economic orthodoxy created the present problem, it is obvious that we need new ideas. Moreover, in the last 50 years, some professional economists have been great exponents of consumer subsidies through price reductions, and in this regard, I can mention Mr. R. R. Irvine, professor of economics at Sydney University, in Australia, during the crisis in the thirties. Another economist, Mr. J. E. Meade, has written a book entitled *Consumers' Credits and Unemployment,* published by the Oxford University Press, in which he states his belief—

He has also written:

● (1650)

[*English*]

This is a subject which has been strangely neglected by professional economists... The subsidization of consumption at certain times and in certain conditions is perfectly sensible. At the risk of being numbered among "the monetary cranks" I submit this book to all who are interested in social and economic problems to persuade them that this is an important method of maintaining prosperity, to my professional colleagues to convince them that they should take the subject much more seriously—

[*Translation*]

Also, Mr. Speaker, a Mr. Vincent Bladen, currently professor of political economy at the Toronto University, insisted recently on the fact that new measures are necessary to fight inflation. His remarks are reported in last year's March-April issue of *The Canadian Chartered Accountant.*

[*English*]

Action is urgently needed. I suggest the government hold down prices by subsidy rather than by ceiling.

[*Translation*]

And the administrative method he has suggested consists in a negative tax which is applied at the retail level.

Mr. Speaker, we, as members of the Social Credit Party, have been striving for many years for the establishment of the guaranteed annual income. I should like to quote a few remarks from Mr. Erich Fromm:

The guaranteed income, which has become possible in these times of economic wealth, could for the first time liberate mankind from the threat of famine and in a way make it free and independent from any economic threat. Nobody would be forced to accept intolerable working conditions simply because he is afraid of starving to death; a talented or ambitious man or woman could increase his or her qualifications and undergo retraining to take up another kind of job.

The shift from a psychology of scarcity to a psychology of abundance is one of the most important in the history of human development. A psychology of scarcity generates anxiety, envy, selfishness (that can be seen particularly in primitive cultures throughout the world). A pyschology of abundance generates initiative, faith in life and solidarity.

Economic abundance and relief from the fear of starvation will mark the transition from a pre-human to a truly human society.

There it is, Mr. Speaker, as I suggested earlier and have been doing so for many years, I think that the present economy of this country or at least the natural resources of this country allow the government to act and finally decide to give every citizen the guaranteed annual income, an income that would allow him to live beyond the poverty line. I read recently either in a newspaper or a magazine that there are now over half a million workers—workers, not unemployed—who find it absolutely impossible to secure the vital minimum to their subsistence. So, Mr. Speaker, in a country such as ours, with incredible abundance, I ask what is stopping the government from acting and providing each and every citizen of this country with decent and fair comfort in view of the unlimited abundance.

Since the prime purpose of the creation of the Anti-Inflation Board was to control and destroy inflation—which it lamentably failed to do, having overrun the bridge—and since those effects are nil and the board only prevented small wage earners from going up in the wage ladder and allow poor people to breathe, I think that board has no more *raison d'être.* That is why we of the Social Credit Party are going to support the motion calling for its abolition.

● (1700)

[*English*]

Hon. Mitchell Sharp (Eglinton): Mr. Speaker, like most members of parliament, like the Minister of Finance (Mr. Macdonald) and the Prime Minister (Mr. Trudeau), I have serious misgivings about price and income controls as a means of dealing with inflation in peacetime. As a former member of the government, I was one of those who resisted such controls until I became convinced that there was no alternative. When the decision in principle was taken, I was one of those who shared the view that the program of price and income restraints should be selective, limited as far as possible to the principal decision-makers in the private sector, flexible enough to deal not only with the typical but with the atypical cases, and of sufficiently long duration to have some possibility of changing the inflationary psychology then prevalent. It was the urgent need to try to change the inflationary psychology that, in my opinion, was the main justification for the introduction of price and income restraints in 1975.

Members of the House will recall that wage demands at that time were based on the expectation and the fear of further price increases. Similarly, price increases were being based on the expectation and the fear of further cost increases. The chase of incomes after prices and prices after incomes threatened disaster to all concerned. The managing director of the International Monetary Fund, Mr. Witteveen, put the point, with his customary elegance, in an address just about a month ago on May 17:

> Perhaps the most important lesson of economic policy that has been learned from the events of the past decade is the key role played by expectations in the determination of price movements. When high rates of inflation persist, expectations of continuing price increases are gradually built in to pricing policies, both in the labour market and in the goods market. These expectations can sustain the momentum of inflation even when excess demand pressures have been eliminated. Not only that, but uncertainties concerning the future course of costs and prices undermine the confidence of private business and result in an unwillingness to undertake the investment on which future output and growth depend. This is perhaps one reason for the rather tentative response of fixed investment during the recent cyclical recovery.

That, as I have said, is the view expressed just a month ago by the managing director of the International Monetary Fund. Just why this race got under way no one is quite sure. It was not only a Canadian phenomenon; it occurred throughout the industrialized world. In some places the pace was quicker than in Canada; in others it was slower. But it was universal.

I shall not at this time enter into a debate as to the causes, although there are, without doubt, important lessons to be learned about the inflationary process which will be of value in preventing its recurrence in the future. If I may be permitted a brief comment, it is that it is much easier and much more popular to take measures to stimulate demand than it is to take measures to dampen the economy when inflation threatens—and I speak now from the heart of a former minister of finance. Somehow we shall have to learn that there is a point beyond which measures to stimulate over-all demand are counterproductive in terms of employment.

The trade-off between inflation and unemployment, which may have had some validity in the past, has little meaning today when high inflation and high unemployment exist simultaneously. Until a few years ago the central objective of economic policy in the industrialized world was to prevent the recurrence of a depression such as devastated the western world in the 1930s. On the whole, that objective was reasonably well attained. Looking back over the period one can say it was one of the most successful periods of economic expansion in the whole history of the world. The period from the end of World War II until the early seventies was one of unsurpassed expansion and prosperity.

The problem facing us now is quite different from what it was in those years. The problem is to maintain reasonably steady economic progress, steady progress which is threatened by inflationary tendencies of great tenacity and universality. So I return to the question before us, which is whether or not to disband the present controls at the end of the month, as proposed in the resolution introduced by the financial spokesman for the official opposition and founded, of course, upon the gathering together of a sufficient number of members to justify this debate.

I proceed from the premise that price and income controls are not a desirable solution for inflation in a free society in peacetime, although I know there are some who take a contrary view. I do not think there are many in this House who take the contrary view, but at any rate I know that outside this parliament there are many who do. To me, and I think to most of us, controls are at best a temporary expedient to gain time, and that is the basis upon which they were introduced and approved by this parliament. The legislation that gave sanction to the system that is now in operation had a time limit on it, and it was defended on that basis not as a permanent system of price and wage controls. Nor is anyone, I trust, going to argue that the program of price and income restraint now in effect is ideal and fully equitable. In the very nature of things, price and income restraints are arbitrary and, at best, offer some sort of rough justice.

Mr. Alexander: The Minister of Labour said they wouldn't work, in the last election.

Mr. Sharp: They certainly are not of the kind and nature that one would have entered upon with any great zeal, because in the nature of things they are arbitrary. They are justified only because, although arbitrary, they are to be preferred to the excesses which would have been experienced without them and only if they have beneficial effects on the pattern of human behaviour for the future. No one can know what would have happened without the imposition of controls. All we do know is that price and cost increases prior to the introduction of controls were accelerating at an alarming rate, and that since the application of controls there has been a fairly steady diminution in the rate of increase of both prices and costs.

Hon. members will recall that the period of controls is divided into three parts. During the first year which ended in October, 1976, the objective was an increase in the consumer

price index of 8 per cent. In fact, the increase was 6½ per cent, a notable reduction from the 11 per cent increase recorded in the previous 12 months—not all attributable, of course, to the controls program. There was an element of good luck and good fortune as well. In the second year now under way, the objective is a 6 per cent increase in the consumer price index. This may or may not be attained because of price increases in food and imports which are not fully under the control of the program, but it looks as if the target will not be missed by more than about one per cent or so. If this is, in fact, the result, it can be said that over the first two years the control's program did at least achieve, and may better, its consumer price target.

● (1710)

Most independent observers are of the view that this was not a coincidence, that the controls, notwithstanding their limitations, did bring about an immediate and significant reduction in the rate of price and cost increases beyond what would otherwise have occurred by the free play of market forces and collective bargaining. I think it is also fair to say that most independent observers are also of the view that the rate of increase in prices and costs is still excessive, that the controls have been effective all right, but that domestically-generated inflation is still serious.

One valid criticism of any comprehensive system of prices and incomes controls that restrains incomes and prices in accordance with some yardstick is that it results in inequities amongst the various participants in the economic process. Wage earners who have fallen behind feel that controls prevent a full restoration of their relative status. Some professionals may feel they have been unfairly treated. Wage earners may feel that professionals and business executives are not being as closely controlled as they are. Businessmen contend that profits are being held so low as to inhibit investment, and so forth. Every effort should, of course, be made to achieve fairness and equity, but regardless of what form the regulations take, those that are effective are also to some degree arbitrary. This is one of the main reasons why controls should be temporary. They are, in the nature of things, bound to cause distortions.

What can be said about the period since October, 1975, is that on the average wages have risen more quickly than prices, so that for those who are working there has been an improvement in the average standard of living, although not necessarily, of course, in the standard of living of every working Canadian. For example, wage rates on the average rose approximately 10 per cent during the first year of the control period, as against an increase in the consumer price index of 6½ per cent; and while we do not have final figures for the period that is now under way, the second period, I understand that wages are still surpassing prices. If you look at the whole period, whatever else one can say about it, the wage earner has improved his relative position.

What is less satisfactory and a cause for concern is that, notwithstanding controls, wages have risen on the average more quickly than average productivity, which means that there is a continuing upward pressure on costs and prices of domestically produced goods and services.

Mr. Speaker, I trust there is agreement on all sides that it is of the utmost urgency to try by every means to bring an end to the inflationary bias that now seems to permeate the economies of the industralized countries of the world, including Canada. It is no longer a question of choosing between inflation and unemployment, if these ever were valid alternatives. Inflation threatens to undermine the stability of our societies, and by so doing to jeopardize employment opportunities and conceivably to bring about even worse dislocation and social unrest.

No one can be quite sure how this inflationary bias is to be eliminated. I have heard the opposition criticize the government for not having a sure remedy for all these ills. I have greater confidence in the government, because they are not quite sure what should be done. I suspect that there are no simple methods, that the problem has to be tackled on several fronts, by prudent fiscal and monetary policies and, also, I am convinced, by concerted efforts on the part of political, business and labour leaders to achieve consensus as to the price and wage objectives that are in the national interest.

I know that efforts made prior to the imposition of mandatory controls to achieve voluntary restraint were not particularly successful. I was in the government at the time, and I sympathize with the Minister of Finance, the Minister of Labour (Mr. Munro) and other colleagues who were endeavouring to bring about a program of voluntary restraint and found that it was an extremely difficult exercise. I venture to say, however, that the dangers of persistent inflation were not as well understood two or three years ago as they are today. It also is encouraging that progress has been made recently in working out a format of consultation which could serve to bring together principal decision-makers.

I have been following with great interest the debate on the control of inflation that has been going on around the world, not only in Canada but in Europe and in the United States. I have been listening to the various economists expressing their views on what is the right and perhaps the only way of controlling inflation, and I heard the other day some reference being made to the views of Professor Milton Freidman who said that there was only one way of controlling inflation, and that was by controlling the money supply. He said that you can stop inflation if you stop creating money in order to finance the business of the country. I am skeptical, however, about the acceptability of this remedy as a sovereign cure when the pressure builds up. That is why, it seems to me, some consensus amongst the principal decision-makers as to price and wage objectives would be helpful.

It would be much easier for those who try to exercise some control over the money supply or over fiscal policy if these decisions could be made within the framework in which there was general agreement as to objectives. This happens in other free societies, and while our institutions and conventions are in many ways unique—I regret to say we are one of the most

fragmented economies in the world—I suggest that we should at least make the effort.

I hope the Minister of Labour, the Minister of Finance, and the Prime Minister (Mr. Trudeau), will not be too discouraged by the reaction they may get at this stage to the efforts they are making to try to bring about a greater degree of co-operation between the principal decision-makers, whether in the field of government, labour or business. We might all be pleasantly surprised by the results if we can bring about the desired degree of co-operation.

The issue before the House is a simple one: Should the present system of controls be terminated by the end of the present month? Someone once said that the most important thing to consider when entering on a program of price and wage controls is how to remove them. The government has indicated the alternative methods and has come down, and I think rightly so, in favour of some kind of phased withdrawal.

An abrupt end to controls as proposed in this motion would be irresponsible, would jeopardize the substantial gains that have been achieved during the past 20 months and would, I submit, either create the impression that the program has failed and should be terminated without notice, or that the threat of inflation is over. The program has not been a failure—on the contrary, it has succeeded so well that it has become popular—and the threat of inflation is still very real. The hope is—and one can be more hopeful today because of the restraining effects of controls—that the inflation psychology has been moderated, if not eliminated.

● (1720)

As I have said, however, even though the rates of increases of prices and incomes are much below what they were, they are still excessive and dangerous. In the third year, the objective of the controls system is a 4 per cent increase in the consumer price index. Even if formal controls were to be substantially lifted, that objective, or even a lower figure, is a desirable one. A 4 per cent annual increase in consumer prices may seem small in relation to recent experiences. It is such a reduction from the two-digit figures we had become accustomed to that it looks as if it might be an unattainable figure. I do not know whether it is or not, but in my view we should be striving to get our consumer price index increase down to as low a level as possible, as well as all the other price indices.

A 4 per cent annual increase in consumer prices may seem small in relation to recent experience, but it is not small per se. When I was minister of finance and things throughout the world were quite different from what they are today, a 4 per cent annual increase for the indefinite future had implications which are still here today. If we contemplate that prices are going to rise by 4 per cent annually over the next ten years, we will be less willing to hold money and more anxious to buy goods or property. So I think we still have a serious inflationary problem to which I hope the government is directing its attention.

As hon. members know, I am no longer in the confidence of the ministers. I do not even have anyone to help me write my speeches nowadays. I have to depend upon myself, so I am not informed as to the intentions of the ministers with respect to the timing and process of decontrol apart from what is contained in ministerial announcements and documents. The views I am expressing now are entirely personal. I hope they accord with the views of ministers, but they are my own.

First, although the price and income restraints have been very useful, I trust that the government will resist the temptation to try to extend the term of the legislation beyond its present date because of public support for the program. The government may be tempted to do so. I hope it can resist that and, as the Minister of Finance has indicated, reinforce the price and wage undertakings which have been made while the program has been in effect. Second, I think it would be advisable to begin the process of decontrol before the end of the three-year period, so that the transition is orderly, not abrupt, and is as fair as possible to all concerned.

Third, it is my earnest hope that the government will persist in its efforts to achieve an acceptable means of promoting understanding and co-operation amongst business, labour and government, whatever the discouragements. The traditional adversary attitude amongst these three principal decision-makers must be modified. Otherwise, the pressing of their respective claims will frustate the attainment of the common good.

The end of controls, whenever it comes, will not mean that the threat of inflation has passed. The controls only gained time to effect more fundamental changes in underlying inflationary forces, one of the most powerful of which was the inflation psychology which was so dominant in the immediate precontrol period. The challenge before government, business and labour is to achieve a new equilibrium.

We are at a watershed in the affairs of the people living in industrialized societies. The attitudes suitable to the post-war age of expansion, which was brought to an end by the emergence of the energy crisis and the persistence of inflation, are no longer suitable to the age of uncertainty upon which we are now embarked. We now have to think in terms of conservation. We did not think in those terms before. Our society tended to be very wasteful. It is no longer possible for us to continue that way. There is less margin now for mistakes. As far as governments are concerned, because the level of expenditure and taxation has risen so high—and I speak now of municipal, provincial and federal governments—governments have less room for manoeuvre, whether on the spending side or on the taxation side.

In brief, in my judgment—and I hope it is a judgment which will be shared throughout this house—desirable growth can only be attained by the establishment of stable, underlying conditions which give confidence to the worker, to the consumer and to the investor. I do not think this is a task only for government. This is a task which must be undertaken in a spirit of national endeavour. It is as much in the interests of labour unions as it is in the interests of businessmen or of governments to be able to bring about this new kind of equilibrium.

I was an official and a minister throughout most of the period of post-war growth. I have the great good fortune to have been at the centre of decision-making during that period when the structure of modern government was being put in place, and I say from that vantage point that the things which motivated those of us who had that responsibility at that time were not the things which will motivate those who will have that responsibility from here on in.

We were concerned about preventing another depression. We were concerned that demand might not be sufficient to engage the resources which were available, about keeping everyone working, and so on. The emphasis was on expansion and on the maintenance of and increase in demand, and for a long time it worked very well. However, in the process we not only consumed resources at an enormous rate and ran up against limitations, particularly in the energy field, which we had not anticipated, but I think we also created a kind of bias. That bias is one of the concerns I have, and I think many people who have had the same experience as I have share the concern that we cannot go on thinking in those terms any more. In those days it did not matter how much confrontation there was between the various decision-makers. It matters now, and therefore I hope the government will continue its efforts to try to bring about greater co-operation amongst the decision-makers, in the interests of everyone.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, in his speech the hon. member for Eglinton (Mr. Sharp) exemplified the same type of example he set when he was a member of the government. I think all hon. members would agree that his speech was a very thoughtful one and that it contained very worth-while information. I congratulate the hon. member for an excellent contribution to this House.

Some hon. Members: Hear, hear!

Mr. Alexander: He did not tell the whole story, though. I want to know about the 1974 election.

Mr. Munro (Hamilton East): I thought the hon. member for Eglinton told an exhaustive story, one which would challenge the hon. member for Hamilton West (Mr. Alexander) to refute in any detail.

Mr. Alexander: Mr. Speaker, if the Minister of Labour (Mr. Munro) wants me to refute it, I would like to put on the record that I recall vividly during the 1974 election that the Minister of Labour, other ministers of the Crown and other hon. members of the Liberal party appeared on television, were heard on the radio and were reported in newspapers in effect saying that wage and price controls would not work and that this government would never introduce them because they were not successful in the United States and Great Britain.

Mr. Deputy Speaker: Order, please.

Mr. Alexander: I remember, in particular, hearing the Minister of Labour say that his government would never introduce controls.

[Mr. Sharp.]

Mr. Deputy Speaker: Order, please. I am sure the hon. member knows that this is hardly a point of order. It is just an argument he could make in due time if he wishes to do so.

Mr. Munro (Hamilton East): Mr. Speaker, that was not a point of order. I yielded to the hon. member for Hamilton West (Mr. Alexander) as a matter of courtesy. I am still basking under the adulation which was bestowed upon him for his long years in public life, but I will not be naive enough to repeat my courtesy in the future.

Mr. Alexander: I remember the 1974 election.

Mr. Munro (Hamilton East): I am prepared to fight that one all over again, with the hon. member, any time. The hon. member for Eglinton presented a very comprehensive review of governmental initiatives and efforts to ease the inflationary process and the rate of inflation. I think the government paper, "Agenda for Co-operation", has also been an invaluable means of promoting the vital participation and debate that the government regards as essential if the right economic and social decisions are to be made. We had a good experience with that this morning when about 20 groups of various kinds with various mandates from across the country came to present their views and briefs to ministers. I think the "Agenda for Co-operation" was a stimulus in this regard and will prove to be one of the more beneficial documents for our guidance.

• (1730)

My own ministry has understandably found itself front and centre in the continuing discussion on the whole issue of control, wages and prices. All of us are aware of the stand taken by the Canadian Labour Congress in particular, but I am confident that we can look forward now to a progressive, co-operative relationship, as and when restraints come off, with the CLC. Great emphasis was placed upon this by the hon. member for Eglinton. The consultative process must be re-established, and I am optimistic that it will.

I do not think any useful purpose can be served by dredging up past confrontations and disagreements with the CLC or any other body, or even with my friend, the hon. member for Hamilton West. Suffice it to recall that when the government introduced its restraints program in October, 1975, our industrial relations system in general, and the collective bargaining process in particular, had become focal points of invective and discontent across Canada.

Certainly there was justification for the general dissatisfaction that had accumulated over a period of approximately a year following the general election of 1974. This showed itself in the months that followed through the unacceptable incidence of strikes that resulted in a record figure of man-days lost, and a record amount of inconvenience and discomfort for the public at large. With issues made more complex by inflation and its erosion of purchasing power, the collective bargaining process was further stressed by increasing demands over and above those concerned with pay for greater job security, improved working conditions, job satisfaction, equal opportunities, and other items.

In retrospect I can say that the imposition of controls, while undoubtedly placing some limits on the free collective bargaining process, also helped to safeguard that process. At that time there were tremendous pressures at work urging the government to take far more drastic action with respect to that process; action that could well spell a more lasting curtailment of collective bargaining.

The advent of controls also enabled the parties in labour affairs, and the public in general, to re-evaluate the workings of Canada's free market system, to re-evaluate it and, perhaps, to rethink the apportionment of responsibility for the results of the system.

In addition there was breathing space in which to consider and weigh those policies, programs, and relationships which might best meet the needs of the post-control era. I can say that the Department of Labour was in a fairly strong position to respond to the new challenges because it had already started a process of self-examination and reassessment. This process resulted in a major reorganization plus decentralization into five regions, both operations reflecting the department's role as a vital partner in labour affairs. And of particular significance, the new order meant the department was well equipped to initiate a range of new programs designed to improve the work environment; to improve the collective bargaining process; and to improve the structure and process of labour-management relations.

Mr. Alexander: Is that what the $10 million is all about?

Mr. Munro (Hamilton East): It is part of what it is all about. If the hon. member would like to forget some of his intuitive bias and look at it objectively, he would find it a very worth-while measure indeed. Mr. Speaker, I am sure that most hon. members will be aware of the extent of these new programs, which have recently been the subject of a fairly extensive program of public information so I will not reiterate them in detail.

I will, however, refer to those programs that do have a specific bearing on the post-control period, and on the containment of inflation. Six new initiatives are in this area of curtailment of inflation. They involve: a quality of working life centre; a new voluntary code of good practices; amendments to the Canada Labour Code; promotion of broader-based bargaining; the establishment of a collective bargaining information centre; and the establishment of a national consultative forum.

The quality of working life centre will concentrate its efforts in the area of increased job satisfaction, leading to improved organizational effectiveness. As well as initiating its own experiments, the centre will concern itself with the results of European as well as other North American experiments in the humanization of work, and will provide a range of educational, technical, and consulting services.

Second is the voluntary code of good practices. Over the years, employment standards legislation has set basic minimum levels—a "floor of protection" of particular importance to that majority of employees not covered by collective agreements. As a supplement to these legislated standards, the Department of Labour is developing a code to advise employers of prevailing good practices on a range of personnel and industrial relations issues. An obvious benefit should be to reduce the divergence of views on industrial relations matters in general.

Third, broader-based bargaining is one of those initiatives designed to curtail inflation and improve the structure of the system. Of prime importance here is the promotion of broader-based bargaining in order to avoid harmful sequential shutdowns in key public services. Broader-based bargaining can be an important means of increasing public confidence in the industrial relations system; also an example to the private sector. My department is recommending that the parties concerned consider some form of voluntary bargaining coalition as being far preferable to a legislated solution.

Fourth, with regard to the Canada Labour Code we will be introducing a number of amendments to the code so as to improve the bargaining process. Frequently there are delays, sometimes there are burdensome costs, and there are tensions which produce their fall-out long after the formal settlement is concluded. Parliament will be asked to consider a number of amendments to the code to improve the balance of responsibility among government, labour, and management.

Talking about the balance of responsibility, Mr. Speaker, this is an integral feature of the fifth item of major significance in this post-control period. I am referring to the national consultative forum and the collective bargaining information centre. It will be multipartite, not possessing decision-making powers, but it can be expected to have considerable, and hopefully beneficial, influences on policies and programs in both private and public sectors. In general the forum would make for a better common understanding of the economic situation as it really is; what the economy can stand, where it is heading, what its weaknesses and strengths are. I am confident that the forum can be of real value in helping to contain the growth and spread of inflationary pressures, and more generally in its role as a disseminator of information.

The multipartite forum is a positive response to labour's request, at its convention in Quebec as identified in the Quebec manifesto, for a role in influencing the decision makers, fully realizing, I believe, that they are prepared to accept responsibility for some of those decisions providing they are permitted to participate on an equal basis.

As the government's green paper emphasized, the functioning of the market place can be enhanced by increasing the information available to the participants. This is particularly the case with regard to the collective bargaining process. We find, during this period of control, that these were some marked deficiencies in the information dissemination element throughout the system prior to controls.

• (1740)

Some two years ago we set up the Canada Labour Relations Council. When it first met, the need was identified for more objective information on compensation and economic trends. I

might indicate that the Canada Labour Relations Council was composed of those who in their daily lives were practitioners in collective bargaining. They were not academic particularly, and not corporate presidents. Some of them were men who, in the corporations, were responsible for the proper functioning of the collective bargaining process in their enterprise. On the labour side there were representatives of unions, including union leaders who, in their daily lives, were concerned with the operation of the collective bargaining process. They identified the need for a collective bargaining data information centre.

It was perceived that existing data was not prepared specifically for collective bargaining, or it was perceived in some cases as having a pro-labour or pro-management bias. As a result the council set up a subcommittee to study the issue, including the possibility of establishing a national data centre.

At the direction of the subcommittee my department conducted a survey of employers and labour organizations. The survey asked questions about the sources of bargaining information then being used, the kind of information needed, how often it was required, and how the existing information could be improved. The subcommittee discovered a wealth of compensation and economic information produced by a variety of government and private sources. The survey also showed that many practitioners in collective bargaining, particularly among trade unions, did not always know what information was available and sometimes had no access to it. What was needed was a single agency to put all the data together and make it available and useful to union and company negotiators. The key elements of this data would be accuracy, adequacy, timeliness and, hence, credibility.

The centre which my department is now in process of establishing would not duplicate existing data collection functions, but rather will act as a clearing house from which existing information can be obtained.

An hon. Member: Big Brother.

Mr. Munro (Hamilton East): Just one minute. Perhaps when the hon. member who just referred to Big Brother sees who will be involved in the centre, it will allay his fears. I propose to set up the centre as a separate departmental agency under a tripartite management board of labour, management and governmental representatives appointed by order in council. Therefore the centre will not come under a government bureaucracy but under the aegis of a tripartite body.

Mr. Paproski: I wish you were looking after multiculturalism.

Mr. Munro (Hamilton East): We may even have Canadians of Ukrainian descent represented on it.

The centre would respond to requests for information from the parties to collective bargaining, mediators and conciliators, and Labour Canada and provincial officials. Where necessary it would work with clients to identify information needs and collate data and publish regular reports. The setting of priorities and the program direction would remain the responsibility of the centre's own management board. Eventually, I would suspect and expect that the centre will play an active role in promoting data improvement by identifying gaps in existing information and ways in which information can be made relevant for collective bargaining.

With the participation of both labour and management, under whose aegis this centre will be, I anticipate that the development work for establishing the centre can be completed this year and the centre made operational by early 1978.

I suspect that the credibility difficulties which beset other agencies trying to supply information will be overcome when we establish this centre, the findings of which will be under the aegis of labour, management, and government, working together under a tripartite relationship.

Mr. Paproski: You mean a troika.

Mr. Munro (Hamilton East): The centre can be an invaluable agency for developing an open and creative dialogue among the parties at the national and provincial levels, as well as at the level of the enterprise. It can help to remove some of the negative adversary elements from the collective bargaining process by introducing elements of logic and reason. It's potential as an inflation fighter is, I believe, self-evident.

I have identified the six main initiatives; they relate mainly to the curtailment of inflation during the post-control period and the question with which the hon. member for Eglinton dealt, the absolute necessity of involving labour and management in some type of consultative mechanism. This involvement will come about not only in the multipartite agency, mentioned as one of the six initiatives, but also in the operational aspects of some of the other initiatives I identified. Their involvement in supervising many of these initiatives will be continuing and, hopefully, permanent.

In closing I should briefly like to mention something else. I shall not elaborate on the information, since the hon. member for Eglinton dealt with it adequately. The point concerns collective agreement settlement statistics compiled by my department. These statistics show that for the 12-month period ending March, 1977, the real, base rate rise in earnings was 5.8 per cent, not a bad increase, especially when compared with the figure of 3.9 per cent for the previous 12-month period. That shows that under the controls program we have laid the basis for a re-evaluation or re-assessment of our collective bargaining system.

Mr. Alexander: You should hear what Joe Morris says about it.

Mr. Munro (Hamilton East): Because we laid the basis for re-evaluation and, as a result of the beneficial views expressed by management, labour, and members of this House, we have been able to design these initiatives which we are confident will serve a useful purpose in the post-control period.

Mr. Alexander: Mr. Speaker, will the minister permit a question? I do not intend to ask a "dirty" question. The minister referred to the involvement of a multipartite council

in the operation of the information centre. What is the situation with regard to the Economic Council of Canada and the Canada Labour Relations Council? I ask my question because I cannot read everything, and would like the minister to help me. Are these organizations to return to the fold, as it were, particularly since we were flirting with them, so to speak, with $10 million? Can the minister elaborate on the point? I think the organizations involved—and if I am wrong perhaps the minister will correct me—are the Canada Labour Relations Council and the Economic Council of Canada, on both of which labour had representation?

Mr. Munro (Hamilton East): Mr. Speaker, I think I should deal with the implied derisive comment of the hon. member for Hamilton West with respect to the $10 million.

Mr. Alexander: I did not mean it that way.

Mr. Munro (Hamilton East): It shows, I think, a dismal lack of appreciation of what has gone wrong in the past in our collective bargaining process. It is far too deeply committed to the adversary approach, to a degree not duplicated in any other industrialized nation of the free world. As many far-seeing members of this House perceive, we must depolarize the situation and try to bring the parties together. They must realize that a well functioning economy is in their own interest, that everyone has a stake in profits and progress. That is what we are endeavouring to do. When we talk about grants to labour organizations to get on with the educational process that is so badly needed in that area, we are only dealing equally with them as we are with the business community.

● (1750)

Perhaps the hon. member for Hamilton West is not aware that the business community can deduct from taxes paid the expense of sending officials of the corporation, businessmen, to seminars and educational courses of all kinds. If you deduct that, it is revenue the government does not receive. Therefore these grants are made to labour organizations so that they can undertake the same process.

If labour can avail themselves of the educational institutions, and many have built careers in the business community through those institutions for which the taxpayer pays, it will make the system work better. The educational system must serve all Canadians. We must work together to achieve the objectives we are desirous of achieving. If they can be achieved, it will be the best $10 million this government has ever spent. I hope it will have the support of the hon. member for Hamilton West.

Mr. Alexander: Now that you have spanked me, will you answer my questions?

Mr. Munro (Hamilton East): As the hon. member is well aware, the attitude of labour at the moment is that they have adopted a position of opposition to wage and price controls. That has been evident for some time. It must even be evident to the hon. member for Hamilton West. They have been meeting more with government over the last year, as well as with the business community, than in any similar period since Confederation. Obviously discussions are going on. Through that process there is a greater awareness of what the difficulties are on all sides with respect to achieving the purpose of a healthy economy.

Labour's position is that, if we can reach some consensus with respect to the decontrol period, they are willing to participate in mechanisms of various kinds during the decontrol period that ensues thereafter.

Mr. Alexander: But they are not ready yet.

Mr. Munro (Hamilton East): They indicated a willingness, certainly on the 14 points. We discussed many of those with labour and the business community. We received positive responses to many of the initiatives. Much of the seeking of consensus has been going on unofficially rather than officially through some of the bodies the hon. member has identified. Surely the hon. member's mind is not so inflexible as to think that the only way to achieve consensus is to have somebody with a proper name that calls meetings. One way to achieve consensus and co-operation is to meet the other fellow, talk about common problems, and work out solutions. That is what we have been doing, and probably more so in the last year than ever before.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think it can be agreed by both sides that this debate has been carried out at a higher level than is often the case with debates in this House. Today we have been fortunate to have two Privy Councillors of Her Majesty's government, one an ex-member of cabinet, address themselves to this issue. I recognize the fact that the debate on what the issues are has been made clear as to the timing of decontrol.

Of all the speeches made today, the most significant one was the speech by the hon. member for Rimouski (Mr. Allard) who is not a Privy Councillor. The hon. member for Rimouski put the debate at the level it should be.

First, this program of price and wage controls is inflationary. It legislates inflation. Just quoting figures of 10 per cent, 8 per cent, 6 per cent or 4 per cent begs the question. This is inflationary legislation that is having disastrous effects now on the people of Canada.

The hon. member for Rimouski talked about how this is affecting the farmers in Quebec, the small businessmen, and those who are not protected by having big companies to do the bargaining for them in this inflationary period. They are not protected by the unions. As a result, he said, many farmers have to leave the business. I am going to put it very simply.

The hon. member for Halifax (Mr. Stanfield), also a Privy Councillor, spoke in this debate. He put his finger on what he thought was the issue, that the country had lost belief in the credibility of the Prime Minister (Mr. Trudeau). When a man of the decency of the hon. member for Halifax stands up and says that he too has lost belief in the credibility of the Prime Minister, that should make sense to the people of Canada.

I want to add something else which is even more profound. I come back again to the hon. member for Rimouski. Let us take one industry that is unprotected and not under these controls. I refer to agriculture. When the figures come out next week for the year 1976, agriculture will show a decline in real income of 25 per cent. There is talk about labour income going up 10 per cent, how other things are going up at a certain rate, how prices are going up, but farming was down 25 per cent for the year 1976.

I support what the hon. member for Rimouski said. This is the human problem that everyone forgets. On the basis of present trends of gross cash receipts, farm income in 1977 will show a further decline of 20 per cent. Taking the two years together, you get a total real income decline in one of the most important segments of our economy of about 40 per cent in two years. How can they talk about rough justice in general economic tones in this House when one large segment of our people has a decline in income in two years, under these so-called price and wage controls, of 40 per cent in real income?

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN BROADCASTING CORPORATION—DISCONTINUATION OF SERVICE TO CHURCHILL BY RADIO STATION CHFC—CORPORATION POLICY

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise this afternoon following up my question of May 13 concerning the discontinuation of service to Churchill by radio station CHFC and the corporation policy of the CBC.

I want to point out today the CBC is running rough-shod over people in isolated parts of Canada. Churchill, Manitoba, is an isolated community located on Hudson Bay. It is serviced by air and rail and, in the summer, by ship. It is a very important seaport.

At the present time the community of Churchill has a population of 1,600. They had the privilege of having a radio station for 25 years. That CBC station was installed so that that community would have some form of media. They were not able to receive other stations that were transmitting in Manitoba.

When the radio station was built 25 years ago, Churchill had an approximate population of 4,500 people. That was because the Department of Public Works operated an armed services camp there. That camp has now been phased out. With the complete phasing out of that operation, it only left the CBC radio station CHFC.

• (1800)

Many people in Churchill were wondering when the CBC would move its facilities into the town of Churchill where the federal and provincial governments had just constructed an $11 million recreational complex known as the Churchill Complex. Nothing came to a head until, talking to the CBC in the early part of May, I found out they were planning to phase out CHFC in Churchill. The community of Churchill was not aware of this plan. People in that corporation who are supposed to be media experts capable of providing information to Canadians in all parts of the country, had failed to consult the local media, the mayor, officials of the local government district, or any of the organizations in Churchill.

Once I found out about it I got in touch with the radio station in Churchill. The manager was not in at the time I called but I did talk to one of the announcers and asked him whether he realized that the station was to be phased out in September. She said; "You are crazy!" However, I was able to make her eat those words a day or so later because a CBC representative called me and set up a community meeting in Churchill on May 12. Approximately 110 people came to that meeting, and it almost ended in a riot for the simple reason that the CBC had made an arbitrary decision to phase out CHFC in Churchill, thus leaving the community with no in-community radio broadcasting station, though they had been accustomed to such a service for 25 years.

Over the next couple of weeks local organizations and individuals sent briefs to the CBC on the subject. Briefs were sent from the local government district, the Manitoba Metis Association, from the Active Youth of Churchill, from the Churchill Volunteer Fire Department, from the Northern Resource Development Centre, by the Churchill Health Centre, by the Churchill Northern Studies Centre, and by individuals such as Lorraine H. Ingebrigtson and Ollie Romanow. They sought a hearing from the CRTC and found out that a hearing had been arranged, either by CRTC or by the CBC, for June 22 in, of all places, Ottawa. Mr. Speaker, it was impossible for people to come all the way from Churchill to present briefs to the CBC at that time. However, the CRTC has now decided to hold the hearing in Winnipeg on December 13.

I just cannot understand why the CBC would be phasing out an English radio production facility in Churchill, Manitoba, when at the same time it seems to be gearing up for a program called the accelerated coverage plan to go right across Canada at a cost of some $150 million. There just is no point in phasing out a radio station which has served the community of Churchill so well over the past 25 years. It appears that by the stroke of a pen it can be eliminated, and that Churchill will no longer have the privilege of enjoying good radio communication within the community.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I was in the House the day

the hon. member for Churchill (Mr. Smith) raised this initially, and from that point forward I have taken an interest in it. As he knows, as well as other hon. members, I have a particular interest in broadcast facilities in remote and northern communities. Therefore it is a pleasure for me to reply on behalf of the Secretary of State (Mr. Roberts).

I should like to advise the hon. member of the following. As you are aware, Churchill residents have been advised that CBC will close its radio production facilities at Churchill, leaving a transmitter which will continue to provide the community with CBC national and regional radio service out of Northern Manitoba.

This decision is the result of a review that was made to determine if the funds and resources available to the CBC for use in the north were being allocated to the best advantage, and what changes might be desirable. As a results of the review, CBC Churchill will become administratively part of the corporation's prairie region instead of, as at present, part of the Northern Service, which is focused on the Yukon and Northwest Territories.

It was felt that CBC radio service to northern communities has developed to the point where there is now a need for facilities to serve both the Keewatin region in the Northwest Territories and northern Manitoba. Churchill is not in a good location to do both these jobs and, accordingly, CBC will establish two production centres to replace the Churchill station. One will be in the Keewatin region itself, that is the Northern Service, and the other will be at a location further south than Churchill attached to the prairie region. This latter centre will provide regional service to northern Manitoba.

CBC has undertaken to offer, first, community access to the present Churchill transmitter within the general terms of its community access policy; second, a modest studio facility for use in connection with community access; and third, training of local residents in radio production techniques for a transition period.

Emergency access to the CBC Churchill transmitter will be made available to a government agency in Churchill such as the Department of Transport or the Department of Communications. This access can be used in the case of polar bear sightings and extreme and hazardous weather conditions.

I want to assure the hon. member that both myself and the Department of Communications will continue to take an interest in this. As I said at the beginning, I am very interested.

Mr. Smith (Churchill): We will hear somebody on the radio shouting: "Polar bear, polar bear!"

MANPOWER—UNEMPLOYMENT IN NEW BRUNSWICK—PROPOSED COMPARATIVE STUDY WITH STATE OF MAINE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, the federal government programs of Canada Works, Young Canada Works, and Local Initiatives, have been important weapons in the Department of Manpower and Immigration's attack on unemployment in New Brunswick, and I want to give them full credit for the jobs they have created and the achievements they have made.

I think the local office Manpower staff have become very knowledgeable in their work and are truly dedicated people who try very hard to bring about results. I should like to see the Manpower staff enabled, in terms of structure and numbers, to develop statistics that would allow us to identify more readily the root causes—and local causes—of unemployment, and the remedies available to us.

I think every federal constituency should have an unemployment profile backed by statistics which show clearly the number of persons in each community who are working and who are not; the type of work they do and are capable of doing; the work potential which is available to them; and the impediments to accepting this work, such as transportation. I think every member of parliament has a very good idea of what this profile would be, but it would be much better if Manpower undertook such a compilation with its professional staff, using the same criteria in every riding, so that from an overview the minister could draw relevant conclusions that would improve our national policy in dealing with the unemployment problem.

I do not think there is any area from which we cannot learn lessons. My suggestion to the minister was that we study the dynamics used in the State of Maine, which is adjacent to New Brunswick, in order to determine what that state does which gives it a better record of performance in dealing with this subject. It brought a rebuttal from the minister which suggested they were using a different basis for arriving at their unemployment statistics, that that state really was not doing all that much better than us, that there was very little we could learn from them, and perhaps they could learn something from us. I prefer to think that we can learn from each other.

So far the federal government's programs in New Brunswick have helped to keep the situation from getting worse, but they have done very little to identify the real causes of unemployment and remedy them. One of the basic causes of chronic unemployment in New Brunswick is the transportation system. Another is the failure to focus the attention of all departments of government on the same problem.

Severe retrenchments in air passenger travel and cargo capacity were announced by our national airline without prior consultation with the Minister of Regional Economic Expansion (Mr. Lessard). In fact the concept of using air transportation as a development tool in the Atlantic provinces has never been discussed by our national airline with DREE. I pressed this matter with the president of Air Canada at the transportation committee meeting last Thursday morning, and I invite the minister to read the minutes. Bus transportation has just been cut back in New Brunswick. The main feature of rail passenger service equipment is its age.

• (1810)

In rural areas surrounding our cities there is a great need for a form of public transportation moving people to and from work and to buy goods and services. I would like to see a

feasibility study done to determine the viability of a rural-urban bus service performing this function, and to identify possible routes in New Brunswick.

If I had to put my finger on one thing that the Government of Canada could invest in to improve employment opportunities in New Brunswick and the other maritime provinces, I would put my finger on transportation. I would recommend to the minister that transportation be regarded as a development tool in all the Atlantic provinces, and that in applying this principle they look at air transportation, and all weather highways—a comprehensive, modern transportation system that should be put in place in the Atlantic provinces by the Government of Canada as an investment in the economic development of that region. Vast improvements in the quality, scope, and performance of public transportation is essential in all parts of New Brunswick.

The programs of LIP, Canada Works, and Young Canada Works have their functions as labour absorbents for a short term application. They do not and are not intended to go to the root of our economic problems. I suggest, however, that the Department of Manpower might play a great role in identifying—as I have attempted to do in my remarks—the root causes of unemployment, and in recommending to appropriate branches of government at all levels the necessary strategy to deal with these problems.

In my view, the proper vehicle for mounting a meaningful attack on the disparities that exist in the Atlantic provinces is a federal-provincial conference convened by the Prime Minister of Canada (Mr. Trudeau) and the premiers of the respective provinces, and if we are to carry out the strategy they propose and focus the attention of all departments of government on the problem, the ultimate answer will require the personal direction and dedication of the Prime Minister of Canada.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have been interested to listen to the observations of the hon. member from Fredericton concerning problems in the economy of his region, and I want to touch on two particular issues. A number of members opposite have lately been comparing statistics from states in the U.S., with statistics in Canada. I think we have to be very cautious in trying to make comparisons on that basis. Since other members have made similar observations, I have taken the trouble to look into the way in which American states arrive at their statistics. Of course I have not looked at all states, but I chose Maine since it is one the hon. member planned to refer to today.

I would argue that no valid comparisons can be made on the basis of statistics gathered in our jurisdiction and those in that state. We have regional statistics which are prepared by Statistics Canada. In the case of unemployment the statistics are prepared by our Department of Labour. These statistics are prepared by a vast household survey which is accurate.

I noted the hon. member's suggestion that statistics be made on a constituency basis as well. Although interesting, it does present problems. The boundaries of constituencies change every few years and comparisons over a period of time would be distorted by that fact. There are rather more constant geographic units which are set regionally, but on balance I think it would be desirable to continue to use the more durable geographic grid than use the constituency basis.

In the State of Maine unemployment statistics are prepared through the unemployment insurance administration. They are generalized from the number of people who apply for unemployment insurance, making some assumptions and using some factors that are obtained from national surveys. In other words, it is a much more indirect and, I would argue, not nearly as accurate a way of making analyses of unemployment in the State of Maine as is used in Canada. Certainly the base is very different, and it has been observed by others more knowledgeable about the two jurisdictions than I that it would be hard to argue which of the two has a higher level of unemployment. One thing that is clear is that the State of Maine has a very different industrial base and structure from New Brunswick.

The hon. member noted a lot of problems and made some suggestions for developing the regional economy of New Brunswick. I know he is aware that DREE is directed toward that, and many of its programs, which he knows better than I, are designed to develop the economy of New Brunswick and to put it on a better footing.

But it is not only DREE that is trying to expand and improve the economy of New Brunswick at the level of the federal government. There are also the budgets of the federal government, in particular the last budget which extended the accelerated capital cost allowance.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the parliamentary secretary that the time allotted to him has expired.

FINANCE—PROPOSED FORMATION OF PRIVATE INVESTMENT CORPORATION TO ACQUIRE GOVERNMENT'S INTEREST IN CROWN CORPORATIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I hope that my contributions to the debate today will indicate the lack of true free enterprise thought on the part of the government.

My comments arise out of a question that I asked of the Minister of Finance (Mr. Macdonald) on June 10. I wanted to know when the Government of Canada might consider following the lead of the government of British Columbia in forming an investment corporation into which it could sell or fold its investments in the Crown enterprises being carried on in Canada today. I submit that the difference is that the government of B.C. inherited the assets it is proposing to put into this corporation from the former socialist government in that province, whereas in the case of the Government of Canada it has made a small attempt at forming such a corporation but it is selling or putting in assets that it acquired or created itself by intrusion into the private sector.

The premier of B.C. said that it was a new corporation which would make share offerings to the public. Shares would be offered through banks, etc., initially to B.C. residents, and later on shares would be sold to the Canadian public. It would not be a Crown corporation but a private corporation working in the private sector. It would have less government ownership than 50 per cent, which is the percentage held by the government in the case of the Alberta Energy Corporation.

The first announcement was that public shareholders would elect the majority of the board of directors and that no government employee would be allowed to serve as an officer, director or employee of the corporation.

The minister gave, as his defence of the government's position, the fact that it had created a few years ago the Canada Development Corporation in which it included some government assets, notably Polysar and its many subsidiaries. Of course it also has in its operations of the CDC, Oil and Gas Limited, Connlab Holdings Limited, Venturetek International Limited, Ventures West Capital Limited, Innocan Investments Limited, Texasgulf Inc., in addition to the one I mentioned, namely, Polysar.

The minister also said that there would be further distributions of shares to the general public. We on this side of the House would like to know when that is likely to happen. We know what the government announced when it founded CDC, but so far the government still owns 65 per cent of the equity in CDC. My information is—and it is hard to tell from the annual report—that the government still owns all the common shares, and that class A preferred shares are held by 21 institutional and industrial enterprises. The class B preferred shares are the only ones which have been offered to the Canadian public, and so far only 17,000 Canadians are shareholders. Of those, some 88 per cent, or 15,000 shareholders, own less than 100 of those shares.

● (1820)

The important thing is to see that a corporation like that gets itself completely separated from the government. The CDC and the minister have failed on that score as well in that the board of directors includes no fewer than three gentlemen who are deputy ministers of this government in Ottawa. It is important that we have corporations like this which are free from government intervention, interference, intrusion or whatever, that they take their task seriously, and that they become independent by having an independent board of directors and by seeing that the public of Canada owns a controlling interest, if not total ownership, so that they can truly be called bodies independent from the government. The minister's answer fails on those three distinct points. It fails on the source of the assets, on the ownership of them, and on the background of the board of directors.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is an interesting question, and the development which has been going on in British Columbia is also interesting.

Speaking for the government I can certainly say that we do not believe in government ownership of enterprises for its own sake. Quite the contrary, this government and the Liberal party stand for the belief that the private sector and the free market are the most efficient means of production. In fact it is the private sector which has been responsible for creating, in countries which have committed themselves to free enterprise and to the free market, the greatest prosperity the world has ever known. Canada, of course, has been a great beneficiary of that approach to economic organization. However, there are times and sectors in which we believe that government ownership is appropriate. In some sectors the enterprises which operate are strategic instruments of government policy, such as the Canadian Broadcasting Corporation, or one might select some transportation agencies and other companies of the government to make the point. These are agencies which operate and fulfil government or public policies. They are not meant just to be efficient allocators of goods and resources.

In other areas we depart from the principle of the free market and free enterprise because the enterprises are not profitable or because it is in the public interest that we continue. We cannot very well expect the public to be interested in acquiring shares of enterprises which are by their very nature not profitable.

In other cases—and I am thinking particularly of de Havilland Aircraft which is an enterprise in my own riding—there are government acquisitions which are intended to be temporary. Our hope and expectations are that the aerospace industry can be rationalized and that at a certain point down the road Canadian private individuals will become interested in being shareholders of this enterprise.

What about the Canada Development Corporation? It is an excellent idea. It is one of which we are very proud, and its 17,000 shareholders, I observe, are a large number of shareholders. It is not a small number of shareholders, as the hon. member suggested. The purpose in establishing the CDC was to establish a substantial pool of Canadian capital which could be available as a counter-weight to the enormous influence of foreign capital present in Canada.

As the hon. member observed, our intention is that the pool of capital will become privately owned over time and not remain in the control, as a major shareholder, of the federal government. But so long as this is so, I am sure the hon. member will agree there ought to be representatives of the government on the board of directors, and indeed there are, in the form of deputy ministers. He has urged on the government that—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. parliamentary secretary but the time allotted to him has expired. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Turner): I do now leave the chair until eight o'clock tonight.

At 6.27 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

PETITION TO END CONTROLS ON JUNE 30, 1977

The House resumed consideration of the motion of Mr. Stevens:

That the Anti-Inflation Act being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada, 1974-75-76, shall expire on the 30th day of June, 1977.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, before six o'clock, commenting on the quality of the debate, I praised the hon. member for Rimouski (Mr. Allard) for speaking in human instead of economic and political terms. Now I mention the speech of the hon. member for Eglinton (Mr. Sharp) who delivered a written speech. As he admitted, he has not written one for a long time. It came from the soul, was sincere, and set out the history of the last 40 years from a senior civil servant's point of view. The hon. member sounded soothing, just as senior civil servants do when they do not know what to do. At least the hon. member suggested that controls should come off as quickly as possible, but left it at that.

Before six o'clock I also said something which caught the attention of the Minister of Labour (Mr. Munro). I said that price and wage controls are inflationary, and parliament, by enacting them two years ago, had legislated inflation.

We have heard much talk in this House and across the country these last two years about the rough justice of the controls program, and we have also heard it said that there are distortions in the economy. Such phrases are meaningless unless you understand what they mean in terms of human suffering. I said that in 1976 the farmers of Canada saw a drop in their realized net income of 25 per cent, and it is predicted this year that, because of rising costs, the realized net income of the farmers will drop another 20 per cent. Therefore in two years, under this program, the farmers of Canada, the most efficient people in the whole economy, will lose more than 40 per cent of their realized net income. Their incomes will have declined by that amount.

We heard government spokesmen telling the House today that labour income had gone up some 10 per cent or 13 per cent, that prices had risen only 6.5 per cent, and that labour is ahead of the game. When government spokesmen speak of labour, they mean big labour, not the two thirds of labour which has no powerful union to negotiate a share of the pie.

I am concerned about human values, which is why I speak about the person at the end of the line. How does he feel about inflation? Mr. Speaker, I ask hon. members to think of the plight of those retired on non-indexed pensions. I ask members to think of those who saved their money, those not in a pension plan and seeing the value of their savings dwindle each year. Some sacrificed for a lifetime to secure a pension of $5,000, $6,000 or $7,000 a year. They are the human part of the equation which politicians, economists, and political scientists forget. That is why I praised the remarks of the hon. member for Rimouski. He spoke of what the farmers of Quebec are enduring under price and wage controls. In theory, they are protected by the great minds of this government. In practice, they are being driven out of business. This is the human factor that has to be considered in the decision we are going to make tonight.

[The Acting Speaker (Mr. Turner).]

● (2010)

I started out by saying that wage and price controls, dividend controls and all the rest, are inflationary. I will give other examples of what I mean. Think of all the labour unions that knew that the profits were declining, that the best they could expect was 2, 3 or 4 per cent of an increase. How did they feel when wage and price controls were brought in saying that, "Because of the economics of your industry, your increases are limited to 10 per cent"? Naturally they all took the 10 per cent.

I mentioned the case of farmers. I could go on to class after class to demonstrate that price and wage controls have only one *raison d'être,* one reason for them, that is, to give a temporary shock to the people of the nation to show that we are running downhill in a great hurry. During that time you can freeze, not 6 per cent or 10 per cent, but really freeze. You should use that time to get at the basic causes. I will leave that for a moment and go to another question.

I want to remind parliament, particularly the government, that what we are going through, inflation and employment at the same time, is not a new phenomenon. As the hon. member for Eglinton said today, they now admit that you can have inflation and employment at the same time. Do you know what that means? An ex-senior civil servant has finally convinced himself there may be some reason for doubt. He does not seem to know that for ten or 15 years voices in the wilderness have been raised all over the world, pointing out that the economic theories our leaders were following were not accurate in the quantitative sense.

After the budget of 1976 the hon. member for Don Valley (Mr. Gillies) and myself made back to back speeches, pointing out alternative theories which explained economics in the sense that you can explain it, with unemployment and inflation at the same time. We put forward constructive proposals, both domestically and internationally, showing how we could cope with it. The press paid no attention to us. It was a new subject. We had been told for years by our leaders, and by that I mean the senior civil servants, that we had to trade off unemployment and inflation. I simply point out that what we are suffering here today is not new.

I do not intend to use all my time giving a history lesson to this House. However, just going back 1,000 years, this is the fourth time we have had this situation. Those who even faintly

remember their history know that during the period of the dark ages there was almost nil advance. When the dark ages began to lessen, out from the monasteries the monks and priests brought the knowledge and the intelligence of the ancients. They told the people how they could get more production by breeding cattle and breeding grass.

This was the agrarian revolution. It spread throughout Europe, thanks to the knowledge safe for a thousand years in the musty churches. The farmers of the western world used this knowledge. They bred their cattle and bred their grains. A great increase resulted. The result was rising prices. Because there was high production in comparison to previous standards, there was unemployment.

Surely hon. members remember the days of the peasant revolution. Surely they remember the 100 years war. This is all part of our school book history. Some may not remember because they have taken history out of the curriculum for the last number of decades. Prices rose four times during the agrarian revolution. Then they levelled off for 300 years. We learn what to do about this one by looking at our history. There is nothing new in this.

Move ahead 200 or 300 years to what is known as the commercial or banking revolution. That is where somebody discovered that instead of bartering together you use paper money. All over the world things began to flow much more swiftly. All over the world living standards rose. Prices rose as the new phenomenon increased distribution of wealth through paper money and lifted the whole world to new levels. When that was over, once again there was a long period of stability of prices for 100 years.

At the end of the eighteenth century there was the industrial revolution. It was sharp and to the point. Prices doubled again. Then they levelled off for 100 years, and actually went down. At the beginning there was unemployment and higher prices like we have now.

Look at the history of Great Britain, France, and Germany with all its divisions. You will learn the lessons about historic events that every person in this House should know. This particular situation that we face today is not just in Canada. It is all over the world. If one sits down and thinks for a minute, he will know what it is.

When people are short of food, they no longer lie down and die. They stand up and scream for food. People have radio and television. When they have poor living conditions, they no longer accept them like they used to do. They want these material things and want them now, not 100 years from now.

Whether you live in a communist country or in an underdeveloped country in Africa or Asia, the social revolution is here. There are two billion people insisting on enough food to eat, shelter for themselves at night, and a reasonably secure sense of living for the future and their old age. This is the social revolution of our times.

Those who say we need to go to a no growth situation and freeze those people for hundreds and hundreds of years in this poverty stricken situation do not speak with the knowledge of history. Once people get a taste of what it is like to move to a food supply as during the agrarian revolution in the early twelfth, thirteenth and fourteenth centuries, they want to eat. Once they get a taste of trading goods with each other for mutual advantage, they want more of it. Likewise today. It is not only Canadians who want hospitalization, medicare, and a house in which to live. The whole world wants it.

I have not gone back to the decline of the Roman empire because it is identical. I have just taken the last thousand years. We must say to our senior civil servants who have held such a tight grip on western countries these past 30 years, let loose these bonds, let loose this desire to control and restrict us.

Sure, there has to be selective control, because there are some bad apples. The main thing is to let the controls off us. This is not only rough justice, a term originated by the hon. member for Halifax (Mr. Stanfield). It is rough justice. Think of it in terms of the person whose income has gone down 40 per cent in two years. Then you will see what rough justice is.

I appeal not only to the reason but to the heart. Get rid of these controls. Let us get out in a positive constructive way and get at the task we have to face in a world social revolution.

I ask these questions. Can these rising prices and unemployment be stopped? The answer, of course, is yes. How do we adjust to these rising prices and unemployment? That is the question to which we should be putting our minds. How can we make this adjustment equitably so that the burden is borne by all groups and not just a few?

In speeches I have made over the past 12 years I have been trying to put on the record of this House constructive proposals to try to get at these problems, because this is not new. These rising prices did not start in 1973. They just started running away in 1973. They had been with us for years, particularly since 1954.

● (2020)

Take government costs. What do we mean by government costs? Most people think it means the staff employed in the House of Commons or the civil servants employed in Ottawa or in agencies across the country. But that is only a small proportion of government costs. The great proportion of the cost of government today goes to pay for the social services which we all want and which none of us wants to lose. We have never given any attention to the fact that the only way they can be paid for is in price increases. When you face that fact you begin to realize the necessity of delivering social services in a manner which will provide the same social benefits for half the cost.

All the figures are available to the government. Half the costs of our social services today are waste. Half of the costs! We have known this in Saskatchewan for 30 years because we pioneered hospitalization. I have seen the figures produced by the Saskatchewan government—they wanted them kept quiet lest they alarm the people. Consider rising costs in England. Look at the Clark Report of 1958. If people went to the hospital and visited the doctor and were unemployed at the

average rate to be expected, the cost would be only half of what it is. All this information has been available for 20 or 30 years, yet parliament goes on and talks about economics, political science. Be cool, they say, and things will be all right.

I belonged to a group of people 30 years ago who put forward a proposal to try to inject a positive incentive into these programs in order to save the social services by delivering them at minimal cost. The services need an individual incentive so that the person who does not abuse them is rewarded for not doing so. Without saying any more about it, let this parliament start getting costs down for the delivery of this fantastic new social revolution in this country. We can well afford them if we get down to paying for what we should be paying for.

I turn now to the money supply. It is very clear that the monetarists, whether it be rightwingers like Friedman or quasi-intellectual leftwingers like Galbraith, are away off in outfield some place. I have a quotation here from an article in *Forbes Magazine* of last November—the same day as the Quebec election, November 15. It says: "Memo to President Carter: Inflation is now too serious a matter to leave to the economists." If that article had been written 30 years ago we could have made progress by now. The article says:

> Inflation is not—a Maynard Keynes thought and Milton Friedman thinks—a simple matter with social consequences. It is an infinitely complicated business with social causes.

In the great social revolution which is taking place today, there are social forces which cannot be stopped. Who would want to stop the agrarian revolution of the 12th century, with all the increased food it meant to mankind? Who would want to stop the banking revolution of the 17th century with all the great good it did for all the nations on both sides of the Atlantic? Who would want to stop the industrial revolution, with all its high prices and unemployment in the beginning, because it brought so much good to so many millions of people around the world? Nor should we think of stopping this social revolution. That is the crux of my pitch, Mr. Speaker. We have to quit depending on these so-called experts, mostly economists, whose economic theories were obsolete when they were born and are completely suicidal today. This government has to get on with the task.

I want to conclude on this final point about the economists. The exchange value of the dollar is directly related to inflation. But what have we heard from the government? In the words of the Leader of the Opposition (Mr. Clark) today; nothing. What about interest rates? Today when you buy a house for $50,000 at 12 per cent over 30 years you pay $202,000 for that home. The sum of $152,000 goes into interest. The same figure of 75 per cent of the cost applies in the case of a big oil sands plant in Alberta. Yet these economists continue telling the government it must keep the interest rates high so the people won't spend. How silly, and how wrong they are!

Let us consider living costs around our cities. Can one blame the working man? Twenty years ago a house could be bought in Toronto for $17,000. That home today, with land costs having soared, and construction costs having soared in the last four years, is now worth $65,000 or $75,000. That is a fantastic increase. The problem of land costs around our cities is not an insoluble one, yet the government has done nothing about it.

The Minister of Labour spoke here today about labour confrontation with management. How many hundreds of millions of dollars have the people lost on the working side, on the owners' side and, particularly, on the consumers' side because we have been using obsolete methods of labour-management negotiation? It isn't hopeless, Mr. Speaker. As I have said before, a group of Conservatives went out to the West Coast two years ago and met with labour. We met with management, and on the third day we met with the owners. And today that industry is moving grain to the hungry people of the world and has a no-strike pledge indefinitely because it is based on productivity and because the contract is based on pension portability. That is all it took to give us a no-strike pledge in that industry.

Consider the contract of the miners with Cyprus Anvil in the Yukon. I could cite examples from all across this country. But this is a case where some politicians went out and sat down with labour. They sat down with management and with the owners and came up with a no-strike pledge indefinitely for the movement of food in this country from the West Coast. What the Minister of Labour was talking about this afternoon should have been done 30 years ago. This last two years there has been no action—just talk. Somebody has to face up to these things.

I think that all of these things—cost of government, money supply, exchange value of our dollar, interest rates, land costs around our cities, labour-management confrontation—carry a positive answer. The answer is yes to each one of them—we can do something about them, if we have the will and use basic common sense. But the government does nothing on these economic issues. Faced as we are with a social revolution around the world, our government does nothing. It is too important to leave to the economists. So as we move toward the new economies there are signs of hope.

I now read from an article in the Wall Street *Journal* of May 9, entitled "Toward a 'New' Economics?" The article mentions that there is a move toward the conservative approach—old-fashioned truths to get at these problems. It mentions the name of a Republican from New York State, speaking in the house. So I got a copy of some of his speeches. Here is a man, Mr. Jack Kemp, saying the same thing in the Congress of the United States as the hon. member for Don Valley and myself have been trying to say around here for the last two or three years. We, of course, have good reason to speak loudly of these new economics because the father of them is a Canadian. We never hear of him in Canada, but his name is Mundell. His American partner is Laffer and, naturally, Mr. Kemp talks about Laffer all the time. But we talk about the father of the idea, Mr. Mundell.

All the subjects I have been reviewing here tonight are mentioned in Mr. Kemp's speeches. A few months ago he was able to get 30 members of the Republican caucus to back him

up in Congress. Now, according to the last report I have here, he has all the Republican members coming out solidly for this "new" type of economics which is not really new at all. All it is, is going back to the basic truths which were ignored during our concentration on the theories of Adam Smith, Ricardo, Keynes and Galbraith. Go back to the basic truths, which are very simple—productivity and savings.

● (2030)

I have another article here which casts some light in the darkness. It appeared in the Montreal *Gazette* on June 15, 1977, under the name of the financial editor, Don McGillivray. The article was entitled "Economists Display Mental Turmoil". Thank God they have enough sense to have turmoil in their minds. For 30 years they have dominated these western countries, and our people are paying a heavy price. I should like to quote some of the words of Don McGillivray as follows:

The tone was set by David Winch of McMaster University who told his fellow economists that they had been too successful in recent decades in selling their version of what human society is all about.

I go further than that and say that they have dominated governments, banks, business, and universities.

The article continues:

For a while their "apparatus of wizardry" seemed to be credible. But now the tricks no longer work.

"When his tricks no longer appear to work," said Winch, "the wise wizard invents new tricks."

That was what John Maynard Keynes, the great British economist, did 40 years ago when he produced the idea that the government should steady the economy by compensating for the ebb and flow of the private sector.

New economists have to escape the "mental shackles" of Keynes who failed to allow that some groups have power—especially corporations and unions—while others have not. Unemployment and stagnation result from this cleavage . . .

But he called on economists to keep watch on the government's proposed watchdog, the post control monitoring agency, because it might well "develop teeth" and grown into the "new, permanent wage and price control agency."

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

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, tonight I am taking this opportunity to take part in a debate which may be of great interest to the House of Commons, but I would like to say, Mr. Speaker, for those who are in the galleries and for the Canadians who will perhaps be reading my comments tomorrow that the debate will the followed by a decision taken in a few minutes as a result of a vote held at about ten o'clock. I think that Canadians will have to realize once again how useless it is to hold such a debate for such a protracted period.

Mr. Speaker, what one might conclude at the end of this three-day debate which began last Thursday is that the opposition knows perfectly well that the government has already decided for all practical purposes, since we have announced it up to a certain extent in a green paper that was tabled recently, that we will indeed get out of controls. The date for the beginning of decontrol has not been announced, of course, but everybody in Canada knows at present that the government, as the result of the experience of the last 20 months, has come during the past few months to the conclusion that they should consider lifting these controls.

Mr. Speaker, tonight's debate, as well as those which took place Thursday and Friday last, as well as today, has been held according to a principle of the House of Commons which enables hon. members or the official opposition to make Canadians aware of specific problems, if that is possible. They have decided, because the legislation allowed them to do so, to have a three-day debate on the controls issue. Mr. Speaker, I have been a member of parliament since 1962, I have been in the opposition for almost four years. I have been on the government side since 1968 and have been a cabinet member for about 21 months.

I would like to relate briefly one of my experiences to my colleagues in the House. When I became a minister and a cabinet member on September 26, 1975, I was given the first formal documents which precisely dealt with the economic situation, its progress during the previous months and prospects for the future. In another paper attached to the same document, some alternatives were offered to me, Mr. Speaker, between *status quo,* measures that one might have called incentives and measures that one had to recognize as well as slightly coercive.

In the preceding months, the government had had to face the staunch criticism, coming from the opposition on the one hand, but also coming from the media and public opinion in general, to the effect that inflation had become quite unbearable. Inflation had reached a level of 10 or 11 per cent. In the collective agreements in the process of being negotiated, demands were raised for increases of up 15 and 25 per cent and there were even some for up to 50 per cent. A record hike in prices was forthcoming, Mr. Speaker, therefore, the government found itself in a position where it had to intervene.

I remember quite well, because it is still fresh in my memory, that confronted by this situation, my colleagues from the cabinet and myself decided to impose the controls. This decision was reached only after lengthy discussions, extensive analysis of the situation and that was not done easily; this decision was taken as the only means, at that time, to counteract this spiraling inflation which was undermining the economy of our country, causing restriction in the field of investments and thereby diminishing them, and also eroding quite significantly the purchasing power of Canadians.

It is quite obvious that this decision was not taken lightheartedly and one only needs to remember that when the Prime Minister announced it, it was a very difficult decision to make because it would surely be quite unpopular.

Mr. Speaker, being a labour leader, I know quite well that when they saw the inflation situation the workers themselves realized that there must be an authority which would say to businesses and labour unions that they must sit down and keep quiet for a while. That is what this government decided in October 1975. Every individual knew he would be affected by that decision. He hoped he would be affected less than others

and he even hoped that he would not be affected at all by that decision. Of course, during the first weeks and months after the announcement of that decision, when control measures were applied, nobody was happy. The workers were concerned but so was the business community. Nobody knew exactly what would be the terms of the controls. Nobody knew what would be the details for every category. Nobody knew how wages and salaries would be controlled in detail. We did not know how profits and prices would be controlled. On the other hand, we all recognized that controlling wages would be relatively easy, but we all admitted that controlling prices and profits in the business sector was much more complex and much more difficult. We, in the government, knew this before making our decision. This is why our decision was hard to make, but we knew that we had to make it. This is why during the last twenty months, we have witnessed a gradual increasing of the support for the government and for these measures.

After two or three months, polls were taken about the degree of support and satisfaction of Canadians concerning this decision of the government. We were not popular. Indeed the degree of support was not very high throughout the Canadian nation, but today when the opposition asks us to eliminate controls abruptly, quickly and suddenly, the polls tell us that more than 60 per cent of Canadians support the controls, and not only support them, but ask us to maintain them because they are aware that they have contributed to bringing back some good sense, some logic, some order in the economy, because thay have contributed to reducing what we can call the excessive expectations that some had these last few years.

We said that we were not happy to implement the control program. We said in October 1975 that these controls would be applied for a maximum of three years. We said recently that we are ready to see, in consultation with the affluent economic groups of our society, how we could put an end logically and in an orderly manner to these controls over Canadian economy. This is what we have been doing for several months. And the opposition is well aware that during these last few months, we have conducted a series of intensive consultations with the private sector, the financial groups, the workers, their representatives, in other words, all the important sectors of our economy. We have sat down, we have discussed with them what would eventually be an ideal formula, the one best suited to bring us to a situation where there would no longer be any controls. We do not want controls, but being realistic, we know very well that there is still a need for certain controls in the Canadian economy.

● (2040)

[*English*]

Last week I was fortunate enough to have the opportunity to travel through this country. For some months I have been pushing aside the kind of commitments I was asked to undertake. I was forced to delay trips in the Atlantic area and in the western provinces. I am a Quebecer and a minister in the Canadian House of Commons, and I knew it would help me a lot if I were exposed to my fellow Canadians in all parts of the country. I knew very well that sitting here is not the best place—it is a good place, but it is obviously not the best place— to assess the mood of the people, what they need and what they want. Of course I admit we need to debate to some extent.

While I was in Cape Breton I did some checking on Devco's activities. I must tell my colleague over there that I travelled through his riding. I was forced to do so because of bad weather; I could not land where I was supposed to, so I had to drive through his riding. I drove through Pictou, and that area is just wonderful. I must say that the kind of reports that we get in this place, the kind of description we have from our colleagues in the opposition, would tend to paint a certain picture. I admit there are difficulties, but the picture is much more beautiful that some people in this House tend to depict. They still have difficulties. We all have difficulties, no matter where we live.

I had the chance to travel last week and the week before in P.E.I., Nova Scotia, and Cape Breton. I have been to Halifax before, and I know my hon. friend will agree with me that Halifax is not Nova Scotia, any more than Paris is France, or Quebec or Montreal is the whole of the province of Quebec. When I was in Cape Breton a few days ago I stayed for 24 hours in a private house and had dinner with a fine family. I slept at the house and breakfasted with this family and talked with them for 12 hours, so I can report to the House that what these members here are saying is not at all the truth. They cut those parts that do not suit their purpose.

I know we have much more support for our policies, which is why tonight I am able to stand in this place and tell my colleagues across the way and my hon. friends on this side—I make that distinction—that things are not exactly what hon. members opposite say.

I was going to fly to the Northern Territories and travel around during the next few days—

Mr. Baker (Grenville-Carleton): Whose jet did you use?

Mr. Lessard: I took a commercial plane and I flew by government plane too. How can you get up there otherwise? There is no way. It is a long road if you want to walk. Obviously I have to respond to those guys over there, Mr. Speaker, and that is what I am doing tonight.

These people who are asking to put an end to the controls on the economy of this country do not represent Canadians at all, absolutely not. Two days ago I met with a group of people in northern B.C. and they told me that we were right. In the Vancouver *Sun* of Friday there was an editorial which was asking the Leader of the Opposition (Mr. Clark) why the hell—

Mr. Baker (Grenville-Carleton): Order.

Mr. Lessard: —he was calling for a three day debate to put an end to controls when he had nothing to suggest except something which was very close to the kind of controls we are

proposing we adopt for the remaining period. The people in Canada are not fooled by what is going on, Mr. Speaker. They know that what we have decided to do is the right decision. It was a hard decision to arrive at; they are prepared to recognize that.

Hon. members opposite are in deep trouble, Mr. Speaker, and I will tell you why. They are calling for an end today to the controls on the economy of this country. Some of them pretend that the cost of food is too high. I was quoted as having expressed my disbelief at what I saw in the north a few days ago. When I saw the cost of food and other basic commodities in the northern territories, for instance, it was hard for me to believe that people living up there have to pay that kind of price for a loaf of bread.

Some hon. Members: Oh, oh!

An hon. Member: This is all your fault.

• (2050)

The Acting Speaker (Mr. Turner): Order, please. The minister has the floor, and I suggest we listen.

Mr. Lessard: So one day we say that the price of food here in the south is much too high. I say that it may be too high.

An hon. Member: Where is the AIB?

Mr. Lessard: But, my God, there is quite a difference with what they have to pay up north. It is a great pity that we, as a group of Canadians sitting here tonight, should consider what these people up north have to pay for food and not find a solution to bring down the price of food to a reasonable level for people in the far north.

Mr. Fraser: I wonder if through you, Mr. Speaker, the minister would accept a question.

Mr. Lessard: Sure, I am not afraid of a question.

Mr. Fraser: The minister talks about the cost of food in the north. Some of us were in the north many years ago and we know that the cost of food there has always been much higher than in the rest of the country. The minister has spent some minutes now putting that up as a straw factor in defending the government's policy.

The Acting Speaker (Mr. Turner): That is not a point of order; it is a point of debate.

Some hon. Members: It is a question.

Mr. Fraser: It is not true and I suggest, through you, Mr. Speaker, that the minister is picking as an example a situation which has prevailed for the last two and a half decades.

Mr. Lessard: Mr. Speaker—

Mr. Paproski: Yes or no?

Mr. Lessard: —I tend to agree with the hon. member that the price of food up north has always been higher than down here.

An hon. Member: What are you going to do about it?

Mr. Lessard: The fact that the cost has been higher does not mean necessarily that it is O.K. for me to accept it. If I stand today in this place to speak about it, it is because I have not heard it being expressed as a major issue in this place. It should be a major issue. When the opposition starts to lash at the government because of the price of food here in Ottawa, Toronto, Montreal and Vancouver, I say to them, that that is not the real issue in this country.

Mr. Hnatyshyn: The farmers don't get any of it.

Mr. Lessard: Again I am inclined to agree with that, but what I want to raise here is the fact that tonight we are taking part in the last part of a three day debate on inflation, and I must say, from what I was able to hear and what I was able to read in the notes here on the points made by the opposition, that I have not heard anything new and, what is worse, I have not heard any proposal made—

Some hon. Members: Oh, oh!

Mr. Lessard: —anything that would solve the situation.

An hon. Member: That is nonsense.

Mr. Lessard: I have here a resume of most of the speeches that were made by the major spokesmen of the opposition, and I find nothing in them that would reassure Canadians that there is an opposition on that side. Quite the contrary. They have no solutions to offer, none whatsoever.

[*Translation*]

Mr. Speaker, it is unfortunate because I think that my colleagues and myself, as a member of the cabinet, would have wished contructive and realistic suggestions from the opposition. Unfortunately those dear friends are very far from reality, as my colleague from Longueuil (Mr. Olivier) has pointed out, they are so far from reality, from Canadian concerns. And several Canadians I met recently in remote areas told me that in Ottawa we spend too much time discussing various subjects and that we have no opportunity to communicate directly with Canadians throughout the country. I recognize those difficulties of our duties here.

The House must necessarily hold debates and pass legislation, budgets and other things but, Mr. Speaker, if we really wish to represent public opinion and meet the interests and the needs of our constituents, we must meet them more regularly and be more aware of their needs. And this is why when we hold that kind of debate, I realize that it would be advisable to have new rules allowing hon. members representing the official opposition in a realistic way to show the bad aspects of our legislation, to show the mistakes we might be doing without extending unduly the debates and doing the contrary of what should be done here, I mean make the best possible decision,

with some weaknesses of course. In fact, the situation changes, the needs change and a measure we pass in all objectivity today will not necessarily meet the needs of the situation within one year, within five years. This is why this House and this system should be flexible.

Three days of debate to know if the government should put an immediate end to controls, Mr. Speaker, this is too much. One day would have been enough. Several editorialists, several reports, several people who have been studying that debate already came to the conclusion that it has lasted too long, that one day would have been enough to put the question and present the issue. A speaker from each party would have been enough. It started Wednesday, this is the fourth day. I am wrong, Mr. Speaker. I realize that it really took a long time.

Two or three speakers from the main opposition parties, Mr. Speaker, should normally have been able to present the views of their party. Three or four speakers from the government could also have answered, and then the problem could have been solved. But no, we are in a fourth day of debating if the control measures should be immediately abolished. This debate will not bring much change because the opposition has brought no new idea forward.

This morning the whole cabinet held discussions with 15 groups from all areas across the country which came to sit with us. If that is not consultation, Mr. Speaker, if that is not listening besides what we have to listen to here in the House, what is consultation? I am asking. We are open to suggestions. We are willing to listen to realistic and objective propositions. That is what we did this morning once more when we listened to those organization representatives which presented their views. I realize, Mr. Speaker, that the government can count on the support of a great majority of Canadians, because the population also realizes what we are doing, what we have done, what we want to do in the future, in a few weeks and in a few months, is exactly adapted to the needs and desires of Canadians. That is what this government wants to do. That is also leading the way. Leadership, that is what this country needs and that is what this government, and particularly its leader, wants and shows, and will still show tomorrow.

Mr. Speaker, in my opinion the present debate and the vote that will be taken tonight will not accomplish much.

Mr. La Salle: What about the million people unemployed?

Mr. Lessard: The hon. member refers to a million people unemployed in this country—

● (2100)

[*English*]

Mr. Baker (Grenville-Carleton): Who's fault is it? You did it.

Mr. Neil: Who caused it all?

[*Translation*]

Mr. Lessard: Precisely, Mr. Speaker, if we had not brought in those controls, we might have a greater number of unemployed. Businesses want to invest. The cost is too high in this country. They prefer to invest elsewhere, and I know something about that. In my department we are faced with situations and propositions like that every day. Businesses say: it is better to invest in the United States. Labour, installation and construction costs are all too high in Canada. We are told that regularly.

That is where the controls applied last fall are important, that is where it is important to keep them on for a few months, Mr. Speaker, when there will be a consensus, when there will be agreement between governments, private businesses and groups representing workers. And that is the kind of consensus we need. Unless that consensus is there, Mr. Speaker, there is no point in putting an end to controls; quite the contrary, they will have to be further maintained for several years. I am not for that. I am against controls, but unless we can find a way to discipline ourselves as Canadians, as workers, as businesses, if we cannot control ourselves unfortunately someone will have to decide to control us, and that is the predicament we were in exactly 20 months ago, Mr. Speaker, and that is why we are now urging all members of the opposition to lay their short term political concerns aside. Indeed, that is not serving them very well. They would be better off to lay them aside because that does not help them. The polls prove it indeed.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. minister that his allotted time has expired.

Mr. MacKay: Mr. Speaker, would the minister accept a very short question?

The Acting Speaker (Mr. Turner): I am sorry. The minister's time has expired, and there is a previous ruling limiting speeches to 30 minutes.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I listened very attentively to the comments of the Minister of Regional and Economic Expansion (Mr. Lessard). Of course, he praised the good intentions of his government. However, I would like to correct one thing. He talked about the length of this debate. It does seem that the rules of this Parliament allow us to take four days but there was agreement to take three days for this debate and the government representative was in full agreement with that.

From the minister's point of view, this debate is a worthless exercise because his government has already declared its intention to abolish controls! We would like to give our confidence to the government, but thinking back about the 1974 elections and the commitments made by this government, you will understand, Mr. Speaker, that it is difficult to believe them when they say they will remove controls, when we remember how they condemned them in 1974 and the way they reversed their policy in 1975.

The minister is talking about negotiations, the series of consultations going on today. I wonder if it would not be normal to invite this government to ask themselves why these

negotiations, these consultations, did not take place before the controls.

Mr. Lessard: We have had a great many.

Mr. Olivier: Is the hon. member for Joliette serious?

Mr. La Salle: Indeed, I am very serious. The hon. member for Longueuil (Mr. Olivier) knows perfectly well what happened today. Of course the need is now felt to go through those consultations, those important bodies in an economy such as ours did not trust this government, as evidenced by their position during the 1974 election which left a number of interrogation marks. We now see that this government feels the need to get the support of those important organizations.

The hon. member for Halifax (Mr. Stanfield) in 1970 travelled throughout Canada to warn this government against that calamity, as inflation was already called, because it was recognized as a danger. I do not think any member of this House did so much as the former leader of this party to make Canadians and the government aware of the menacing danger, but he was ridiculed and we are now asked why we wanted this debate. If the government had taken heed when warned by the then opposition leader, we would have been spared the kind of politicking that went on in the 1974 election. If this government had been honest in 1974, it would have recognized, as every Canadian is now aware, that we were right in 1974. Times were right in 1974 to take the initiatives we were urging. But so much time was lost that irreparable harm was done. And now the minister states it was not in good faith and with a happy heart that controls were established in 1975.

The unpalatable thing for the government was not to establish controls, but to know that the people had been willingly misled in 1974. So it was not easy to establish controls on responsible organizations and the Canadian people. This is why the government and especially the cabinet were hesitant. The then leader of the opposition spoke in 1974 of a 90-day freeze as a means of establishing a mechanism to slow down inflation, and nothing else. We were not speaking of continuing controls as the government is now implying in case it does not get the cooperation and support and trust of the provinces, labour unions and the business community. Of course, we admit that it is important, and that it is impossible to implement those measures efficiently without the cooperation of major organizations. We knew it, and that is why we thought that 90 days would be sufficient to set up that mechanism or device which could have enabled the Canadian people to achieve the objective we set at that time. Mr. Speaker, I intend to endorse fully the motion now before the House.

• (2110)

I support this motion with utmost conviction and sincerity, the more so because I feel I am expressing the opinion and the deep feeling not only of my constituents, but also of millions of Quebecers, whatever their political affiliation. But before coming to the object of the debate, I consider useful and even indispensable to remind hon. members of the poor performance of this administration in the area of inflation over the past six or seven years. I feel this is necessary to place in its true historical perspective the major intervention which the official opposition is now trying to make and which I proudly support.

Mr. Speaker, it is easy to say that the Canadian public will be disappointed by our position in this debate. It is also easy to say that the Standing Orders should be amended to gag the opposition, but it would be too easy for the government, by improving or amending these Standing Orders, to prevent us from increasing the people's awareness of this public lie which was told in 1974. I think it is important that all Canadians know the real reasons behind the government's action, its refusal of those measures in 1974 and the reasons why they decided later on to implement those same measures. When the first symptoms appeared, the government thought that it would be enough to pretend fighting inflation for it to disappear. So they established the Prices and Incomes Commission, they willingly neglected to provide it with the needed tools to be efficient and operate a real recovery. Needless to say, the commission could not do anything valid and the problem kept on worsening. During all that time, the government did not take the problem seriously, allowed the situation to deteriorate rather than grapple with it and tried to warrant its inaction with sophisms like "inflation is a world problem" or "if we want imported products we will have to pay the price asked for them".

But the prices were still increasing, not only for imported goods but also for consumer oriented products. Prices were constantly increasing and, consequently, we know the problems facing the public. After some years of efforts and the useless spending of $5 million, the Prices and Incomes Commission came to the conclusion, in a report kept secret by the government, that it would be necessary to control prices and incomes. Was the Prime Minister aware at that time of the inflation threat to Canada? He must have been because he said back in 1970 and I quote:

> Continuous inflation would undermine our economy, dangerously alter the structure and the stability of our society and affect the credibility of our political institutions. In the long run, it would be a threat against our future, both as a society and as a nation. It is obvious that the more inflation rises, the more difficult it will be to control it and the more costly it will be to put an end to it.

The words I have just quoted were not spoken, Mr. Speaker, by the then leader of the opposition, whom, in passing, the government members delighted in calling a prophet of evil; they were spoken by the Prime Minister himself, and not recently, but seven years ago.

That being the situation, and in the face of the failure of the Prices and Incomes Commission to check inflation, one would have thought that the government would have considered it timely to implement immediately the recommendation of the commission by advocating prices and incomes controls. But no, the government was not going to take the chance of losing its popularity by introducing controls. Once again, it chose to spare its popularity with the electors at the expense of the Canadian economy, and to keep up appearances it set up to

succeed the commission another invertebrate monster the Food Prices Review Board. Another toothless effort, another adventure for gobbling up public moneys and creating jobs for friends. The board once again, even more so than the commission, revelled in words while inflation continued to ravage the country. And, during those years, Mr. Speaker, going from commission to board, and from board to statements which were meant to be reassuring, the government danced its favorite waltz, that of indecision. Now it would allow unemployment to grow in the hopeless hope of containing inflation, now allow inflation to rise again in the hopeless hope of containing unemployment. Either way it did not settle the matter, and this is a failure for most Canadian people, Mr. Speaker. Inflation has now reached its highest point since the Korean war and it goes on increasing at a tremendous rate while there are one million unemployed in our country and while the situation could become still worse.

At the outset of the election campaign in 1974, our party submitted to the Canadian voters a daring yet sincere and realistic project to reduce inflation. We advocated a freeze on prices and incomes during a 90-day period to give us time to consult the provincial governments, financial circles, business leaders, unions and consumers on the objectives which might be set and which could be adjusted periodically. Government members, led by the Prime Minister, found nothing better than ridiculing our plan in the face of the nation. Do not trust the Conservatives, they said, they are going to freeze everything, from food prices to the wages of newspaper carriers.

They worked so hard at it that inflation was given a free hand to increase more than ever. Yet, the government knew at that time that we were right, that no matter how it went about it, willingly or otherwise it would have to resort to price and income controls. I repeat that the government knew it would have to apply this formula and that is why I repeat before the House that this government did lie on that issue. It would like us now to keep silent, not to say a word about it. I suggest that Canadians need to know exactly why this government condemned measures which it applied eight months later; it was nothing but a vote-catching manoeuvre. Besides, it was so obvious that our former party leader in a speech delivered in Magog towards the end of the election campaign, did not hesitate to declare and I quote:

> If the present government is voted back in power, inflation will go on increasing.

He was not wrong either.

> And then in two months, four months or six months inflation will reach such a level that the government will have no other alternatives and will impose control on prices and incomes.

Our leader made the following statement before the 1974 election:

> But the difference between doing it now and doing it eventually is that, if we wait, it might be too late to stop the damages and we will then find ourselves in an economic depression.

Pronounced three years ago, these words of the ex-leader of my party have turned out to be tragically prophetic. Therefore, this government has been misleading the Canadian people on the matter of inflation for seven years now. We talked about unemployment, we could talk about its just society and its objective of national unity. This government has been constantly cheating the country on the matter of its basic goals and it is going on playing the same game, hiding itself behind the curtain of national unity. It has come to the point where national unity or national harmony is unattainable without first restoring an acceptable economic climate and this is true for all provinces. But above all the Prime Minister and the members of his cabinet have behaved in this shameful and dishonest manner during the 1974 election campaign, because they knew very well, while they were condemning the controls from the electoral platforms, that they were bound to impose them a few months later.

I remember hearing this cynical sentence from the Prime Minister when, during the same campaign, he had to face reporters with the last statistics on the cost of living which was dramatically increasing. He would only say: "Let us take things coolly." But cool or not, he had to impose controls eight months later. We have been living with them for twenty months now. They did not work very well. And this is why we are asking the government to put an end to these controls. They were not a success for many reasons and one of the main ones is that they were imposed without previously consulting the different sectors of our economy. Jean-Luc Pepin, chairman of the board, has admitted in committee that this 90-day freeze period would have been very useful to set out the means to control inflation.

The Chairman of the board recognized it: he resigned, as a matter of fact. He and the Prime Minister (Mr. Trudeau) know the real reason for his departure. We advocate—

An hon. Member: What reason?

Mr. La Salle: The Prime Minister and Mr. Pepin know it, but I do not.

An hon. Member: Do not talk of things you know nothing about.

Mr. La Salle: Neither do you, for you hardly know anything about the Prime Minister. We were advocating a 90-day freeze so as to proceed with a consultation which would have allowed us to reach some consensus about the goals to pursue and the means to reach them. The government chose to dictate in its traditional believe-or-die approach. This total lack of consultation made the various sectors of the economy uncomfortable, with no confidence towards controls and government economic policies, especially since the establishment of controls, the federal government did practically nothing to reduce the inflationary spiral; not only did it fail to restrict its own expenditures since then, in spite its pious wishes, but it even found a way to increase them by over 20 per cent and it is a government which was supposed to provide leadership, so that due to the lack of economic confidence, investments are decreasing, small and medium-sized businesses are incurring deficits as a result of an inflation and in some cases must close their doors, unemployment is increasing—

An hon. Member: What about the PQ?

Mr. La Salle: I will come back to that, Mr. Speaker. Unemployment is increasing, the economy is regressing and the government is giving funds right and left, for unemployment insurance or all kinds of subsidies to enable the Department of Regional Economic Expansion to restore a faltering economy.

Quite recently we were still referring to a reduction of 2,000 employees in the footwear industry, Mr. Speaker. I am not lying when I say that those controls have been ineffective and when the minister asks what are our proposals, we are specifically demanding the removal of those measures which did not attain the objectives sought by this Parliament and consequently, those investors, business heads who would be aware of the long-term measures of the government, which they do not know, could be responsible for an economic recovery, because those policies and the government's waiting have stopped the decisions of the business community.

In our view, Mr. Speaker, the only way to stimulate the economy at the present time is to abolish the controls and to replace them by less strict measures which, at the same time as they would curtail inflation, would above all restore an atmosphere of confidence in investment, and would in turn rapidly increase productivity and create employment. It is very possible that the government does not intend to maintain the controls indefinitely, but that is not the question. The question is to suppress them immediately to accelerate economic recovery. The government can and must not make a second mistake with the controls, and delay suppressing them as it delayed introducing them. The Prime Minister likes to talk about crimes against national unity, well I think it would be one, and a serious one, to prolong beyond the next two weeks a system of price and wage control which is dangerously jeopardizing our economy and creating concern and hardship for thousands of people in this country.

But let us not forget that in this House we are probably among the privileged. When we talk about inflation the objectives which we are given are seen with our reason. For those who earn $20,000 and more, it is always possible to make ends meet, and we can accommodate ourselves and pay for our cigarettes or any other products once the price have been raised, but the real victims of inflation are not in this House, Mr. Speaker. These are the workers, men and women who have to bear the real burden of inflation, or those for whom any salary raise is automatically eaten up by a similar raise in prices. The real victims of inflation are above all those who live on a pension or on small savings—

An hon. Member: What about the pensioners?

Mr. La Salle: Someone is talking about pensioners who have been given a 60-cent raise from time to time. Well, if the Liberal members are satisfied and if they can prove that the raise in old age pension payments corresponds to a similar raise in the cost of living, go and tell this to those who have to manage on a miserable old age pension. Or to those who try to survive on a meagre pension and who are unemployed, or to the one million unemployed, who are below the poverty level.

I was going to forget to mention the student population, Mr. Speaker, for whom scholarships have not been increased while educational costs kept rising. This government could not care less about the misery and the problems suffered by people because of a policy which has not been efficient and which, according to many, has been a total failure if we compare ourselves with our neighbour to the south who, without controls, has succeeded better than us in keeping inflation at a reasonable rate.

What all these people are asking, Mr. Speaker, is that Parliament stop playing the game of politics and instead care for their future and their well-being. In a country that can offer so much hope and promises as ours, I cannot accept that for partisan reasons, the social crisis and the economic injustice that prevail are allowed to continue indefinitely. It seems to me that more so than ever time has come to close ranks and work together to correct these problems and put our country back on the track of prosperity. Mr. Speaker, these are our objectives and I would not hide the fact that I am very disappointed to see so many government members taking refuge behind a few ministers who are trying to defend an objective that has been the sorry failure which we know, while others seem to have found an opportunity to play games. I do not mind being told about the government of Quebec, Mr. Speaker, but some find it amusing, as I said not so long ago, to provoke a government that has problems of its own, which is also still part of our country. Sitting opposite are some 60 members coming from that province who are not overly concerned about the problems we are experiencing in Quebec. They feel as if they were here to contend with this government, to stay aloof instead of proving that it is possible to restore a better economic climate in my province, well before the time when separation becomes the prime issue.

I feel as much of a Quebecer as anybody else from that province. I reject as much as anyone else in this House the idea of independence but I think it is most urgent, Mr. Speaker, to prove to Quebecers that by restoring economic progress in our province, it is not necessary to become independent to achieve our legitimate aspirations. But this I do not do in a spirit of partisanship, of political manoeuvering, as my colleagues opposite, and when I say how important it is to help the province of Quebec which is experiencing tremendous difficulties, to bring down the unemployment rate, when I am asking the federal government to cooperate with its Quebec counterpart, there is nothing new in my stand. I did it in the times of Daniel Johnson. I did it in the times of my little cousin Robert Bourassa, and I will do it again today. They accuse us, members of the opposition, of being separatists, because we defend the interests of a province which I call my own: that's the way they are treating us. Well, I want Quebecers to know how these people remain silent during majors debates, how they hide behind scarecrows, or follow too faithfully the instructions of their leaders.

Mr. Speaker, I hope that by repeating these remarks often enough, we shall instill in government members a more positive attitude, and that we shall also find a way to help Quebec and the other provinces which are faced with this record unemployment, and thus, reach the objectives and fulfill the expectations of all Canadians.

● (2120)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the official opposition has moved a motion saying that the Anti-Inflation Act should expire at the end of June. I point out that the Liberal government introduced controls for limiting wage and salary increases and, supposedly, profit increases.

Before we are called on to vote on the motion, let us examine the history of this policy. The Conservative party proposed, in 1972, 1973 and 1974 a freezing of wages and prices. It said the government should intervene drastically in the process whereby prices and profits in the economy are established. Our Prime Minister (Mr. Trudeau) rejected those proposals, making the point time and again that much of Canadian inflation resulted from the interplay of international forces over which Canada had no control, and that the wage and price freeze would not work.

In the 1974 election campaign the major issue was whether or not to implement wage and price, or wage and profit controls and limitations. The Conservative opposition advocated those controls, or such a policy, but the Prime Minister travelled from one end of the country to the other telling people that no government he led would ever be involved in such a program, that it would not work, would be unfair, and so on. The Prime Minister succeeded. He won the election. In Ontario, Liberal members were elected, defeating sitting Conservative and NDP candidates. And what happened?

In 1975 the Prime Minister, who had promised not to implement controls, did just that. He implemented wage and profit controls. The hon. member for Davenport (Mr. Caccia) told the House on Friday that the Prime Minister had always said that the Liberal government was ready with an alternate program to deal with inflation, if it became an emergency, and tried to convince members and the people of Canada, as the Liberals have been trying since October, 1975, that indeed an emergency existed. The hon. member said, I think, that although he believes in limited controls, so long as we have unemployment we must have controls. He completely ignored the fact that unemployment has risen dramatically since the government implemented the controls program.

● (2130)

Figures can be used to make a point, even if it is not true. On Friday the Minister of Finance (Mr. Macdonald) used figures to make a point in that way. On Thursday the minister said that when the government implemented its anti-inflation program, the rate of inflation on an annual basis was 10.6 per cent. Lo and behold, the anti-inflation program has been so successful that, according to the minister, the rate of inflation

dropped from 10.6 per cent, the date the program was put into effect, to 6.2 per cent in October, 1976.

Like other members of this House, when I go shopping with my wife I find there is not one item in any supermarket which has not increased substantially in price since October, 1975. When I sign the monthly cheque for heating the house, I see that the cost has gone away up. The cost of oil will probably go up by $2 a barrel by July 1. That will mean another 1 per cent increase in the cost of living.

I looked at the figures for the first five months of 1977 which were put out by Statistics Canada. I did that because I was flabbergasted by the minister's claim that the rate of inflation had been driven down to 6.2 per cent as a result of the anti-inflation program. I found that in February, 1977, the cost of living increased by 9/10 of 1 per cent. In March it increased by 9/10 of 1 per cent, in April by 1 per cent, in May by 6/10 of one per cent, and in June by 8/10 of 1 per cent. Therefore in the first five months of 1977 the cost of living went up by 4.2 per cent.

Taking into account the $2 a barrel price increase there will be in July, we are looking at an increase in the cost of living for the year 1977 of between 9 and 10 per cent. Therefore we are right back to where we were when the government first brought in its anti-inflation program.

The Prime Minister was right in the 1974 election campaign when he said that wage and price controls would not keep the cost of living down, that the cost of living had gone up because of external factors over which we had little or no control. As a result of 18 months of wage and price controls we have a situation where, in 1977, the cost of living will go up by almost the same amount as in the year 1975 when the government brought in this program.

We were told that the program would control wages and salaries on one hand and prices on the other. We know what the program has done in terms of wages and salaries. It is as we in the NDP and most economists predicted when the program was first proposed by the Prime Minister.

It is relatively easy to control wages and salaries. People are paid once or twice a month. It is not difficult through legislation to put a limit of 6, 8 or 10 per cent, or whatever some bureaucrat in the Department of Finance who earns over $60,000 a year believes to be a fair amount. The government has been fairly successful in that regard. The minister pointed out how much lower wage settlements were this year than in 1975. Of course they are lower. Workers and unions know they cannot force their companies to break the law. If the law puts a limit on the amount of increases permitted, the unions and the companies have to live up to that law.

When the minister says that expectations have come down, he is 100 per cent dead wrong. As soon as the controls come off, the workers will ask for wage and salary increases as high as they believe they can get. That will depend on the buoyancy of the economy and the profitability of the company for which they work.

We have been told that the major reason for the anti-inflation program was the exorbitant, unreasonable, pie in the sky

demands being made by workers in the private and public sector. Let us look at what is happening in the private sector.

In 1974 wage demands in the private sector were very high. It should not have surprised cabinet ministers and senior officials in the Department of Finance. However, they have tunnel vision. In 1974 they woke up to the fact that workers were demanding large increases. Where were they in 1972, 1973, and the first half of 1974? In those three years profits of major corporations increased by about 35 per cent each year. Therefore profits went up by more than 100 per cent in those three years. The percentage of gross national income which went to corporation profits rose from 10.5 per cent to over 14 per cent.

Anybody who knew anything about how the economy works and the basis on which labour-management negotiations are conducted would have expected high wage demands in 1974, as there were. If the government had wanted to cool that, it should have ensured in 1972, 1973, and the first part of 1974 that profits were not too high. Instead, the government gave more tax cuts to corporations, more concessions to mining and oil companies, and faster write-offs to manufacturing industries. The result was that corporation profits rose again and again. In fact they rose by more than 100 per cent.

It is not surprising that workers in private industry were asking for, and on occasion striking for, very high wage increases. Some of us were told privately by senior public servants that the government was not too worried by wage increases in the private sector. They knew they could only get wages commensurate with the profitability of the companies. The employees could not push their wages to the point that the companies would not make a profit or the companies would cut back and there would be no jobs. What the government was worried about was the exorbitant demands being made by workers in the public sector at the federal, provincial, and municipal levels. We were never given many examples of exorbitant increases, but that was the thinking which supposedly went into making the anti-inflation program a necessity.

● (2140)

I suggest to members on the other side that we did not need an anti-inflation program, that we did not need legislation. If employees in the public sector were demanding too much it was the business of the government to say no. What we have seen is the government saying no to workers in the lower brackets, to workers who are unskilled or semi-skilled. What we have seen is a government willing to give more and more to the people at the top. Let me offer a couple of illustrations.

Hon. members know that senior civil servants at the very top are now getting in the neighbourhood of $65,000 a year. They have received substantial increases. What members may not know, although the former president of the Treasury Board knows it, is that the number of senior executive employees has doubled and redoubled. In a period of about ten years the number of SX employees went from some 380 in 1968 to 1,250 by 1975. That superstructure is tremendously expensive to maintain, and I am not at all convinced it is necessary in terms of getting a better, more efficient, and more humanitarian government.

There has been no evidence to substantiate the growth which has taken place. We were told that we needed the anti-inflation program because Canadian workers were making excessive demands, because Canadian wages were rising at such a rapid rate that Canada was pricing itself out of the market. Well, there is no question that sales of major Canadian companies have been reduced substantially in the last 18 months. But there is no evidence at all that we have priced ourselves out of the market, no evidence at all that the productivity of Canadian workers has declined or, specifically, that it has declined relative to productivity in the United States, our major competitor.

What has happened is that Canadian sales of such major products as metals—one of our major exports—have dropped. This is not because workers in the industry have demanded and received wage increases which have priced the product out of the market. Sales have dropped because of the economic slowdown in the United States, Japan, and the western world generally.

Let me quote from an article I came across in the Winnipeg *Tribune* of Wednesday, June 15, written by Steven Kelman of the *Financial Times* Service. The heading is: "Low Demand for Major Metals Decreases Prices and Earnings". The writer says, and I quote:

> Repressed by sluggish world economic recovery, the demand for many metals—copper, zinc, lead and nickel—remains below expectations of investors. Consequently, inventories of these metals are historically high, depressing the earnings of metals and minerals producers. Mining and metals analysts expect prices of most metals to remain at low levels at least until the fall when they might begin to rise if economic recovery leads to some reduction of inventories. Even with this scenario, however, investors can anticipate several quarters before producers report higher earnings.

The article lists some of the reasons why earnings are lower, and then goes on to say:

> Metals overproduction: The late 1960s and early 1970s were a period of major world mine expansion intended to meet a high consumption rate. But the growth rate of metals use diminished with the escalation of energy costs. Metal prices, without a major pickup in demand, will continue to be depressed.

The writer explains that there are high inventories of copper and other metals held around the world. Then he goes on to state:

> High inventories: Manufacturers' fears of labor stoppages among major U.S. copper and zinc producers led to substantial hedge buying in advance of normal needs during the past six months. Adding to this were fears of copper shortages stemming from the political turmoil in Zaire, a major African producer.
>
> Widespread discounting: With large inventories and little likelihood of a short-term gain in demand, many producers discount posted prices, making a shambles of industry attempts to hold prices. Many analysts expect further weakness in metals prices, at least until the fall.

Hon. members will notice that he does not talk about wages in the industry being a factor at all in the decline of sales, and I suggest that if an analysis is made of the lumber industry or of the pulp and paper industry or, indeed, of any of the major industries which earn dollars for Canada, we would find the same situation existing.

May I point out that the price of wheat has fallen by almost 50 per cent? This has nothing to do with the wage level in Canada; it is based entirely on the demand for the grain in the western world which purchases most of our crop. I contend, therefore, as I believe the facts will prove, that we have not licked inflation and that the program has been a failure, as we in this party predicted and as most economists predicted at the time.

To meet the so-called threat of inflation the government had another program beside the limiting of wage and salary claims and, supposedly, the limiting of prices. Let me remind hon. members of what the Minister of Finance has finally had to admit after a year and a half of prodding from the New Democrats. As we predicted, the controls on wages and salaries has been effective because increases in this sector were easy to identify. But the minister is now admitting that, between the legislation on one hand and lax monitoring by the Anti-Inflation Board on the other, many people at the top of many of the corporations in Canada have been able to secure very substantial increases—not just 6 per cent or 8 per cent, or 10 per cent, but 25 per cent, 50 per cent, and 75 per cent in salaries ranging from $100,000 upward.

As we forecast, no way has been found under this program to limit increases in income enjoyed by self-employed people like doctors, lawyers, engineers, architects. I do not know whether an attempt was really made.

An hon. Member: What about pharmacists?

Mr. Orlikow: And pharmacists, too, I suppose. These people have continued to get whatever the traffic will bear.

● (2150)

Every aspect of the so-called fight against inflation was a call by the federal government for restraint in government spending. All governments got involved in this, regardless of which party was involved—Liberals, Conservatives, Social Credit, and the New Democratic Party. The government was able to go before the people and indicate that it was showing restraint. It was not going to spend $30 million in Manitoba or $50 million in Ontario. Actually, I forget what the saving was by the federal government. But it forgot to tell the people that every time a million dollars is saved fewer people are employed.

Unemployment for every month of this year has been at an all-time high. In April unemployment on a seasonally adjusted basis was 8.3 per cent, or 932,000 people. In May the figure was 7.9 per cent. Newspapers reported that as a victory because it was half a per cent lower than the month before. If one read down to the end of the article, he would realize that 7.9 per cent was almost 1 per cent higher than the month of May in the previous year.

In my city of Winnipeg there is a low rate of unemployment, as there is in the province of Manitoba, as compared to Quebec, the Atlantic provinces, Ontario or British Columbia. I have done some inquiring in my constituency and have found out that graduating classes in faculties such as education, social work, and engineering are having difficulty finding employment. That applies also to the graduating classes of community colleges in our province. The students were encouraged to go to community colleges rather than university, because an arts degree would not give them a job but training in one of the many skills which are provided in our community colleges would give them a job.

The graduating classes of the universities and the community colleges are finding it virtually impossible to get jobs. The best educated young people we have ever had are not able to find jobs in June of 1977. In some of the industrial plants, the steel fabricating plants and the agricultural plants in Manitoba, we are finding that workers with 20 years of seniority with one company, and who have never drawn unemployment insurance benefits, are now unemployed. The situation in Manitoba is far better than it is in Quebec.

In Quebec virtually 10 per cent—one out of every ten people—of the people who want work and are available for work cannot find work. In Nova Scotia it is substantially more than that. On Cape Breton Island the official figure for unemployment is 17 per cent, and the real figure is probably closer to 25 per cent. That is a part of the price we are paying for the government's anti-inflation program and its program of restraint.

As I have indicated, we are fighting inflation unsuccessfully and on the backs of the unemployed. When this program was first proposed we said that it would not work, that it would be inequitable and would result in more unemployment. Unfortunately our fears have proven to be correct. We believe, and we have believed all along, that the anti-inflation program would not work and would be unfair. We continue to call for a national incomes policy which would be fair to all the people of Canada. We call on the Government of Canada to make a major commitment for itself and for the people of Canada to a program of full employment.

We do not accept the arguments being put forth by so-called experts, who are employed at comfortable salaries, that full employment is no longer an unemployment rate of between 3 per cent and 4 per cent, that in fact it is something in the neighbourhood of 5½ per cent or 6 per cent. This country has the resources, the raw materials, the manpower and the skills to put the people of Canada who want to work back to work. This party is committed to that. We call on the government to adopt policies which will put the people of Canada back to work. One of the first steps necessary is to eliminate the anti-inflation program which has been a failure from the day it started.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I certainly wanted to rise and take part in this important debate, for I could not do it last Friday. This is why I have felt it necessary to rise tonight at the very last minute. Mr. Speaker, may I call it ten o'clock?

[*English*]

Mr. Speaker: Order, please. Pursuant to the order made on Thursday, June 16, 1977, it being ten o'clock p.m., I do now leave the chair. The House will resume at eleven o'clock a.m. on Tuesday, June 21, 1977, pursuant to the order dated May 30, 1977.

At 10 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Tuesday, June 21, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed from Monday, June 20, consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Order, please. The hon. member for Nickel Belt (Mr. Rodriguez) has the floor; but before proceeding I should carry on with the preliminary review I have made of the report stage motions. The House is now considering motion No. 4 and, as I mentioned yesterday, motions Nos. 5 and 6 can be grouped together for debate but voted on separately. It would be my intention to group motions Nos. 7, 8, 9, 10, 15, 22, 29 and 30 together with motion No. 32 which seems to be a consequential amendment.

● (1110)

The question being put on motion No. 7 standing in the name of the minister would dispose of the group of motions except for motions Nos. 8 and 10. The question should be put separately on motion No. 8 standing in the name of the hon. member for Brant (Mr. Blackburn) and, if required, a division on motion No. 8 will also dispose of motion No. 10. Motion No. 11 standing in the name of the hon. member for Nickel Belt could be debated and voted upon separately.

When we come to motion No. 12 in the name of the hon. member for Nickel Belt, I think we should have a discussion on its procedural acceptability, because I have some difficulty regarding the relevance of the motion to clause 38 of the bill which it seeks to amend. I think reference should be made to the citation found in May's at page 521 in respect of going beyond the scope of the clause which the motion seeks to amend.

Motions Nos. 13, 14, 16, and 17 and 18 could be grouped for the purpose of debate, but the question should be put separately on motions Nos. 13, 14 and 18. Then the question will be put on motion No. 17, and an affirmative vote will also dispose of motion No. 16. On the other hand, if motion No. 17 is negatived, it will be necessary to put the question on motion No. 16.

Motions Nos. 19, 27, 28 and 33 standing in the name of the Minister of Manpower and Immigration (Mr. Cullen) also cause me some difficulty from a procedural point of view in that they appear to be beyond the scope of Bill C-27. Indeed, the object of those motions is to amend sections 40, 114, and 132 of the parent act which are not mentioned in Bill C-27, as well as sections 7 and 8 of the Adult Occupational Training Act, which are also absent from Bill C-27. There may be some disposition to deal with those motions. But in the interim, in any case, I am prepared to hear arguments on the procedural regularity between now and the calling of those motions.

Motions Nos. 20 and 21 could be debated separately and voted on separately. Motions Nos. 23 and 24 could be grouped for the purpose of debate, but would require separate votes. The remaining motions, Nos. 25, 26 and 31, will be debated separately and voted on separately.

If, of course, as is the usual course, as we progress from motion to motion there are comments that hon. members wish to make in respect of this review, I will be glad to hear them or, if there are any that should be made at this moment, I will hear them. Otherwise, I will recognize the hon. member for Nickel Belt who will continue the debate.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I have several comments related to separate motions. Would it be possible for the document which you read to be photostated and distributed so we can determine how we should proceed?

Mr. Speaker: Yes. There are my own notes and I have followed them very closely in the announcement which I just made. I would be more than happy to have them duplicated and distributed to as many hon. members as want them.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, yesterday we were discussing motion No. 4, which states in part:

"(3) Where for any purposes, the use of rate of unemployment produced by Statistics Canada is required under this act or the regulations, the rates used by the commission shall be those most recently produced at the time it is appropriate or necessary for the commission to make a final determination in respect of or involving the use of those rates."

I expressed the opinion yesterday that basically we had no objection to that at all. We welcome it. I wondered what the UIC had used in the past. I suspect that probably they used outmoded statistics or their own in-house studies. That moved me on to comment on the fact that it is too bad the minister did not widen the scope of his amendment to include that any

decisions or proposed decisions, or any policies set within the Unemployment Insurance Commission, would use Statistics Canada figures, or figures from studies which would then be available to persons outside the commission, that is, groups of persons or individuals who have business with the Unemployment Insurance Commission or who wish to take a look at the way in which the commission's policies are administered, particularly members of parliament.

I said that with good reason, with good justification, because in effect the basis for the changes we are now debating to Bill C-27 was in the comprehensive review of the unemployment insurance program which was done in 1973-74. One has to realize that there are some important proposals in Bill C-27. The proposals range from changing the minor attachment period from eight to ten weeks, and after three years it becomes 14 weeks. It also includes some important changes with respect to the length of the benefit period in effect. It was always based on the comprehensive review of the unemployment insurance program which was done in 1973-74, and the only reference to the source of the information on which the comprehensive review was based is listed as the administrative data of the Unemployment Insurance Commission.

So here we have a commission which does its own in-house studies, its own so-called narrative reports which are available only to the commission. We were told that this information was for the commission, that they put it through the process, strained it, and came out with these proposals. Here we have very important changes being contemplated and debated by parliament, yet the source and the basis for these changes are not available to members of parliament and we have no way of examining the veracity of the statements made.

As a matter of fact, I raised this question in committee when we discussed the bill. I wanted to know the basis for the comprehensive review. I read from the proceedings on the Standing Committee on Labour, Manpower and Immigration of April 20, 1977, at which the minister was present with officials from his department. The following statement was made by Mr. Manion:

> Madam Chairman, there have been other studies done in addition to the comprehensive review. I believe Mr. Cullen or Mr. Hodder mentioned the very recent study done on the industrial patterns in the high unemployment areas to see whether there were employers who offered only eight weeks of work, and the result of that study is that there were very, very few such employers. There may be individuals who worked only eight weeks at a stretch, but generally there was employment of longer duration available for them, except in very scattered, isolated instances.

I asked if they had any figures, and Mr. Manion replied:

> No. I believe Mr. Hodder indicated that that was based on a review done recently by our own staff. It is not a statistical review. It is one in which the report is on a narrative basis.

He went on to say:

> That report consists of a narrative report from our own officers. It is not a statistical report and it is not available in a form that is suitable for publication.

That is the point we are making, that we have a review of a very important bureaucracy in the federal government, and we are debating very extensive changes. These changes will have an impact on the lives of many people in this country. The impact will be greater in some parts than it will in others. In particular, Atlantic Canada will be greatly affected by the impact of Bill C-27 which is based on in-house studies and narrative reports. I have in my hand an example of a narrative report which we squeezed out of the bureucracy at the committee hearing. Great insights are found in this. It is called "Employment Patterns in the Atlantic Provinces". This was done by the Unemployment Insurance Commission in May of 1977, and it is entitled "A report on the impact of increasing unemployment insurance minimum entrance requirements in the Atlantic provinces to ten weeks of insured employment". This statement came from a senior assistant deputy minister, Mr. Manion. It reads:

● (1120)

> In the light of the observed employment patterns of most industries in the Atlantic provinces, the majority of workers should have little or no difficulty in meeting the higher minimum entrance requirements—

Here are some of the conclusions in that report:

> 1. Generally speaking, it would appear that there are few industries or firms which are limited to less than ten weeks of operation in any 12-month period. Those which are so constrained, employ few workers.
>
> 2. Although individual components of the fishing industry may be of very short duration (e.g. lobster, herring) most fishermen have little difficulty in operating for more than ten weeks since they typically engage in more than one component of the industry.

I go to conclusion No. 6:

> 6. Canada Manpower centres have reported instances of potential claimants quitting their jobs at the peak of the season—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Knowles (Winnipeg North Centre): Carry on.

The Acting Speaker (Mr. Turner): Is the hon. member given unanimous consent to carry on?

Some hon. Members: Agreed.

Mr. Rodriguez: Thank you, Mr. Speaker, and I thank my colleagues. Conclusion No. 6 continues as follows:

> —so that they will qualify with the highest average insured earnings possible—

That is the kind of value judgment which is being made—potential claimants quitting their jobs at the peak of the season so they will qualify with the highest average insurance possible. In addition, this document goes on to say the following:

> —there are indications that a number of workers arrange to be laid off once qualified for UI so that someone else may obtain eight weeks of insured employment.

Someone should point out that that is called sharing work. Obviously, according to the commission, people were stuck on the concept of sharing work a long time before the minister put this provision into the bill. People do share work and, obviously, the benefits of the Unemployment Insurance Act. However, we would be happy if the department and the minister would extend that amendment to provide that any contemplated changes in policy or in legislation ought to be based on verifiable facts supplied by an agency which is recognized as

having some independence, Statistics Canada, and not on in-house studies because, in effect, we are calling on the commission to evaluate its own rules and then to change the rules. The commission is judging its own operations. I think that is very unfair, because in situations I have experienced the commission has set its policies, it has bad examples which could be used to defend those policies, and those who have had cases before the commission have found themselves having to prove that they were not guilty of infractions of policies which were set. That is pretty difficult. Here, in this in-house study, there is a rather enlightening statement about Newfoundland. It says:

> The seasonal inshore fishing, (e.g., lobster fishermen) may have some difficulty in operating for ten weeks in the Stephenville labour market area.

It goes on to say:

> There is an indication that some employers in small or isolated communities deliberately hire seasonal workers in such a way as to provide at least the minimum number of insured weeks to as many persons as possible and thereby ensure an adequate work force at their doorstep when needed.

That is one of the criticisms we have made. This narrative reports on an in-house study of the Unemployment Insurance Commission which really does not serve the needs of those people who have to use the services of the commission. Criticism of this was made in the committee. We were not the only ones to criticize this procedure of the commission. It was criticized in an excellent brief from the Quebec Federation of Labour. That federation appeared before the standing committee in connection with this bill. I would like to quote from that brief. On page 7 of its brief, the Quebec Federation of Labour deals with the comprehensive review. That comprehensive review tells us what an avenue for cheating the minor attachment period is. The review tells us it was so generous that it was a disincentive to work and was abused. That conclusion was arrived at as a result of individual interviews.

We were told in the committee that as a result of interviewing people on an individual basis, the commission came to the conclusion that this was a disincentive. Is it not wonderful that with a million people unemployed in this country, the commission tells us that the minimum attachment period is a disincentive to work? With respect to the way in which the commission gathered the data on which it made suggestions, and based on which we have legislation to change the minimum attachment period, the Quebec Federation of Labour had this to say:

> However, the UIC fails to specify that many illegal dismissals are included among or rather disguised as voluntary departures. We wish to stress the fact that the UIC does not recognize alcoholism as a disease, that the employer has the right to dismiss a worker for wanting to join a union, and that the UIC does not consider industrial allergies, nervous breakdowns or discrimination valid reasons for departure and that is why they are included among voluntary departures.

Hence, these people become subject to a six-week penalty of no benefits. These people are included in the data which resulted in this legislation. It is worthy to mention that the QFL went on to say the following:

> Moreover, the vast majority of statistics quoted in this comprehensive report are based on administrative data of the UIC which is the only reference mentioned. As far as we know, all unemployment insurance statistics should be drawn from the monthly "Statistical Report on the Operation of the Unemployment Insurance Act", Statistics Canada catalogue no. 73-001.

That is, basically, our argument. On the one hand, we say that it is fine to use the most up to date figures of Statistics Canada with respect to setting the rate of unemployment for unemployment insurance purposes, but on the other hand it seems to us that it would have been much more helpful if the minister had extended that and proposed that all policies or proposed legislation would be drawn from what is recognized as being an independent source of statistical data. It seemed to us that we have left this act completely in the hands of the Unemployment Insurance Commission which set up the policy, administered it, looked after setting up the appeal process and then reviewed the appeals to see whether they should go forward. Our simple argument is that it seemed the minister should have at least gone all the way and put this whole operation on a more independent basis.

● (1130)

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to make a few comments on motion No. 4 and suggest to the minister that we find nothing particularly objectionable about the fact that the Unemployment Insurance Commission would use up to date information provided by Statistics Canada. That would seem only natural. I have two caveats, however, and I hope the minister will respond to them. The first is that I think when the ministry is using the information provided by Statistics Canada they should attempt to make sure there is some kind of projection of people who are unemployed but are not currently seeking work because they have been seeking it for many months and have finally given up reporting to the Canada Manpower office. I think this would change the statistics. There are many who would like to have work, but after six months or more have given up hunting for a job or reporting at the Manpower offices. If we have seasonally adjusted unemployment, surely we should have an adjustment for those people.

I should particularly like the minister to respond to my second point. In this Canadian democracy in 1977, surely it is a shame that native Indians are not included in the labour force data. I know the minister might argue with that because there is a separate department that looks after Indians—the Department of Indian Affairs and Northern Development. But that argument does not hold up, Mr. Speaker. We have a bilingual policy in this country, for instance, but we do not keep separate data for French-speaking people and English-speaking people who are unemployed. There is also a multiculturalism policy, but separate data is not kept on people of German, Ukrainian or Swedish descent. Yet our Indian people are accounted for by another department.

It is commendable, of course, that the commission will use the most up-to-date information available from Statistics Canada, but it is inexcusable that native Indians, who often have the highest rate of unemployment in winter months—sometimes as much as 95 per cent—are not included in the total unemployment figures just because they are Indians. This is a sham and an act of bigotry, Mr. Speaker. The argument

that Indians are taken care of by another department simply means they are not being treated as fully-fledged Canadians. We would not dare do that with any other ethnic group, and we should not do it with the Indians. But the implication is there in motion No. 4.

If we are to use the most up-to-date information issued by Statistics Canada, it must involve all Canadians. I believe the only reason the government is not including the data from native Indian communities in the labour force data is in order to keep the unemployment rata a little lower than it really is. If Indians were included, as in all good conscience they ought to be, the statistics would be considerably higher.

We have these two points, Mr. Speaker. There is the unacceptable, unjustifiable, biased and bigoted information that leads a government to say there is a race of people who will not be counted in the labour force for no other reason than that there is a separate department to look after them. It is high time we stopped having a cover-up and attempting to make the unemployment situation look a little better by not including certain groups.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The question is on the amendment of the Minister of Employment and Immigration (Mr. Cullen). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 4 (Mr. Cullen) agreed to.

Mr. Alexander: I rise on a point of order, Mr. Speaker. I wonder if it would be in order at this time for me to revert to motion No. 1 on the order paper which I believe was not completely dealt with before. His Honour, Mr. Speaker, had some reservations in terms of the amendment introduced in my name being beyond the scope of the act. The motion calls for provincial consultation. The minister rose at that time and indicated that he found the first part of the amendment unacceptable but was disposed to accept the second part of it. I think Your Honour will find there is all-party agreement at this time, subject to procedural acceptability, that I should move motion No. 1 again, with the unanimous consent of the House. I would, therefore, move:

That Bill C-27, an act to establish the department of employment and immigration et al as amended, be amended by adding immediately after line 42 in clause 5, page 2 thereof, the following subclause:

"(3) The minister, with the approval of the governor in council, may enter into an agreement with any province or group of provinces for the purpose of facilitating the formulation, co-ordination and implementation of unemployment insurance and manpower policies and programs".

For the information of hon. members, Mr. Speaker, this refers to the first motion on the order paper and to the second paragraph only. I understand it is agreeable not only to the minister but to all members of the House. Mr. Speaker, if the Chair needs time to consider the matter, perhaps I could introduce the motion later if necessary.

• (1140)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we do not object to the motion proposed now by the hon. member for Hamilton West (Mr. Alexander), but I think he is right in anticipating certain procedural difficulties. First, Mr. Speaker ruled motion No. 1 out of order yesterday. Therefore, it is not before the House and the hon. member is now moving a new motion without having given notice. He can only do this with unanimous consent. We are prepared to give that consent.

Second, Mr. Speaker ruled yesterday that it was beyond the scope of the bill, and to get around that point the hon. member would need unanimous consent as well. We are prepared to give him unanimous consent to do this. I think the hon. member's last statement is correct; perhaps the Chair should be given time to sort it out. Even my good friend for Hamilton West should not be allowed to bring forward a motion any time the spirit moves him merely because the Minister of Manpower and Immigration (Mr. Cullen) happens to agree with him. We still have the rules.

The Acting Speaker (Mr. Turner): Order, please. Mr. Speaker ruled motion No. 1 out of order yesterday. The hon. member for Hamilton West (Mr. Alexander) has not asked for unanimous consent to place it before the House. Therefore, unless the hon. member has unanimous consent, the motion is not before the House. I am willing to hear argument on the point.

Mr. Alexander: Mr. Speaker, the NDP House leader put the matter in its proper sequence. Yesterday, Mr. Speaker held the motion as being beyond the scope of the bill and it can be presented again only with the unanimous consent of the House. I would need unanimous consent to move the second portion of the motion. When I introduced the motion, I was seeking the unanimous consent of the House. Since the minister has indicated an interest in my motion, perhaps the comments I have made at this time could be considered as notice of my intention to introduce the motion. I seek unanimous consent to do something the Minister of Manpower and Immigration (Mr. Cullen) is prepared to accept. I ask Your Honour to treat my comments as notice, and perhaps after you have had an opportunity to consult, to tell me when I can move the motion.

Mr. Cullen: Mr. Speaker, we agreed to accept it yesterday.

The Acting Speaker (Mr. Turner): Order, please. Has the hon. member unanimous consent to present his motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Are there any objections? There are no objections.

Motion No. 1 (Mr. Alexander) agreed to.

The Acting Speaker (Mr. Turner): Motions 5 and 6 have been grouped for debate. The House will now consider them.

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 5:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be amended in clause 27 by striking out lines 30 to 32 at page 11 and substituting the following therefor:

"(*g*) any employment provided under clause 41, section 38 thereof".

Mr. John Rodriguez (Nickel Belt) moved motion No. 6:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be amended by deleting clause 27.

Mr. Cullen: Mr. Speaker, I rise on a point of order. It strikes me that motion No. 5 is consequential to motion No. 16, and motion No. 6 to No. 17. I note that Mr. Speaker grouped Nos. 5 and 6 separately and then grouped Nos. 13, 14, 16, 17 and 18 for debate. Perhaps it would be appropriate to consider Nos. 16 and 17 at this stage. That would be an appropriate grouping. Perhaps we could consider those motions together.

The Acting Speaker (Mr. Turner): Order, please. Mr. Speaker grouped those motions as a suggestion. If the House wants to change that suggested grouping, the Chair would be willing to go along with it. Do hon. members agree?

Mr. Knowles (Winnipeg North Centre): To what?

Mr. Cullen: Mr. Speaker, I suggest the House could consider motions 5 and 6, already put, with motion 16 in the name of the hon. member for Hamilton West (Mr. Alexander), and 17 in the name of the hon. member for New Westminster (Mr. Leggatt).

The Acting Speaker (Mr. Turner): Is it agreed that we debate together motions 5, 6, 16 and 17?

Mr. Alexander: Mr. Speaker, I know we are trying to be expeditious. Motions 5 and 6 relate to job-creation and work-sharing. Motion 16 concerns work-sharing, and 17 concerns training, job-creation and work sharing. We could deal with those motions at the same time, although they need to be resolved by separate votes. If the House agrees, perhaps we could consider together motions Nos. 5, 6, 16 and 17.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are becoming confused. Motions 5 and 6 deal with clause 27 of the bill. Motions 16 and 17 deal with clause 41. Perhaps it would be best to agree, tentatively, to consider 5 and 6, and when we reach the other group later we can decide if 16 and 17 have been covered as well. I agree with the hon. member for Hamilton West (Mr. Alexander) that they require separate votes. Cannot we go ahead with 5 and 6, as Mr. Speaker suggested yesterday, and decide later if 16 and 17 were covered in the debate?

Mr. Cullen: Mr. Speaker, I have no difficulty with that argument, although it seems to me next to impossible to debate Nos. 5 and 6 without referring to the subject matter of the other clauses.

● (1150)

Mr. Alexander: Mr. Speaker, the suggestion just placed before the House is certainly acceptable to me.

The Acting Speaker (Mr. Turner): Is it agreed that we move on to motions Nos. 5 and 6 for the purpose of debate?

Some hon. Members: Agreed.

Mr. Alexander: Mr. Speaker, I rise on a point of order. This may be a technicality which we will have to deal with at this time. When I look at motion No. 27, I know what the intent is, but it seems there has been an error in drafting. It becomes very, very confusing. Clause 27 reads as follows:

Subsection 4(3) of the said act—

Right off the bat there is something wrong. I know what they want to refer to. Unless I am wrong, that should read, "Section 4(3) of the said act". The minister, in clause 27, is referring to job-creation and work-sharing in terms of making that employment subject to unemployment insurance. Therefore, it needs to be tidied up in that regard. We cannot pass that clause as it presently stands. I just notice this and, therefore, was unable to give the minister notice. I think it should read, "Section 4(3) of the said act is amended".

At line 30 it also becomes very confusing. What the minister is referring to in clause 27 is actually clause 41 of the bill under discussion. Under clause 41 you have subclauses 34, 35, 36, 37 and 38. The minister's motion under clause 27 really refers to subclauses 37 and 38 under clause 41. I respectfully submit that before we go any further with this matter we should amend the minister's motion so that we will be on target in terms of correctness. I do not have an amendment before me. I want to hear the minister and my friend, the House leader of the New Democratic Party. It should read as follows:

Section 4(3) of the said act is amended by striking out the word "and" at the end of paragraph (*e*) thereof, by adding the word "and" at the end of paragraph (*f*) thereof and by adding thereto the following paragraph—

Here is where we run into problems. I think it should read this way:

(*g*) any employment provided under clause 41, subsection 38, or under regulations made under subsection 37 thereof.

I think that would clarify the matter. At the present time that is not clear. We can debate this clause. I know what the minister wants to do. However, if we pass it, we would certainly be in error by going along without the necessary amendments at this time. Perhaps the minister would like to

clarify his position and make comments on my comments. I hope that my good friend, the House leader for the NDP, and the Social Credit party, perhaps, will add something to this very limited point of order.

Mr. Cullen: Mr. Speaker, I have not received notice of this from the hon. member. As he indicated, it occurred to him just now. I thank him for it. What we are referring to under that section is section 38 under No. 41, and similarly under No. 37. However, I have another difficulty with it. Mr. Speaker has indicated that motion No. 27, which stands in my name as Minister of Manpower and Immigration, from a procedural point of view seems to go beyond the scope of Bill C-27.

Mr. Knowles (Winnipeg North Centre): We are all lost. Let's have the debate.

The Acting Speaker (Mr. Turner): Shall we stand the clause, or continue with the debate?

Mr. Alexander: Mr. Speaker, this is very complicated. I do not mind going on with the debate, but I think we have to address ourselves to this particular matter. If the clause is beyond the competence of the minister to introduce, I am trying to figure out where we are with regard to job training and work sharing as the minister wants the employment thereunder to become involved with unemployment insurance; in other words, employment under job-creation and work-sharing. We are in a sort of mind-boggling mess right now. There is not much point in debating something if we are out of order in terms of the clause upon which the debate ensues.

Mr. Paproski: There are 11 bureaucrats up there; maybe they can can help us.

Mr. Alexander: I do not want to talk about the bureaucrats. I know how hard they work. Many of us work hard with them. As a result of the minister and the bureaucrats bringing forth suggestions, we now have a much better bill. Of course, I do not want to take too much credit regarding the flexibility of it in terms of the 10 to 14 weeks.

I think the clause should be stood. There is no point in our discussing a clause which Mr. Speaker has ruled out of order. This places the minister in a very peculiar situation. If he does not get this clause, the employment which will ensue as a result of job-creation and work-sharing will not be able to be involved in unemployment insurance benefits. I know the minister would be very concerned.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I suggest to the hon. member that the confusion is being compounded. Perhaps I will add more to it. We are having reference made to Bill C-27, clause 27, and to motion No. 27. We are so mixed up that maybe we had better move on to something else. The hon. member talks about something being wrong in the bill because it refers to the wrong section. That, of course, gives us a reference, not to the bill but back to the act itself. I hope I am proving my point that we are so mixed up on the point that we had better move on to something else.

[Mr. Alexander.]

Mr. Cullen: As I said, Mr. Speaker, I had not received notice. I do not blame the hon. member for that. I realize that he is endeavouring to help in this regard. We are not talking about motion No. 27, but clause 27. As I understand it, there is nothing wrong with clause 27 of the bill. Sections 37 and 38 of clause 41 will become sections 37 and 38 in the bill.

Mr. Rodriguez: That's clear.

Mr. Alexander: That may be a fact, Mr. Speaker, but I wish the minister would direct his attention to the very first word in clause 27 of Bill C-27. Clause 27 refers to subsection 4(3)—

Mr. Knowles (Winnipeg North Centre): Of the act.

Mr. Alexander: Of the act. I say there is no such thing as subsection 4(3) of the act in terms of what the minister wants to do. I say that it is section 4(3) of the act. That is how it should read.

• (1200)

Mr. Cullen: Section 4, subsection 3.

Mr. Alexander: Right. Section 4 of the act does spell out in detail subsection 1 and subsection 2, and then you have subsection 3 and that is under section 4 of the act. That is the amendment that is required.

Mr. Knowles (Winnipeg North Centre): I like these fine points, Mr. Speaker, and I like clearly to spell out these things. But if we do it in this clause, we shall have to do it in a dozen other places. Right below we find 29(1), "paragraph 16(1)(*a*) of the said act." Are we to change that to some subparagraph of the section? There is a certain drafting style which has been employed in the drafting of this bill, and if the hon. member wants to change it at one point we shall have to change it at other points as well. I still think we should move on to something else and let the officials look at it.

The Acting Speaker (Mr. Turner): Is it agreed that we allow motions 5 and 6 to stand and let the table officials go over the amendments?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Then we move on to motions 7, 8, 9, 10, 15, 22, 29 and 30, together with motion 32 which seems to be a consequential amendment. It is my understanding this whole group is now before the House. I will put motion No. 7 in the name of the Minister of Manpower and Immigration (Mr. Cullen).

Hon. Bud Cullen (Minister of Manpower and Immigration) moves motion No. 7:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 29 by striking out lines 8 to 10 at page 12 and substituting the following therefor:

"means a claimant who, subject to subsections 17(3) and (4), has been employed in insurable employment for fourteen or more weeks but less than"

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, we are dealing now with the first part of Bill C-27 which attempts to change the minor attachment period. We are opposed to this concept of changing the minor attachment period from eight weeks, eventually in three years' time, to 14 weeks. Members tend to forget that after three years the minor attachment period will be 14 weeks of insured employment. We in the NDP object to this tampering with the minor attachment period.

I have been here only a relatively short period of time compared with others who have a history tied up to the Unemployment Insurance Act going back to the year when it was first put into law; there are still members here who were present when the act came into being in 1971. As I said, I have been here only a relatively short space of time and I must express what concerns me.

What concerns me very much came into focus with respect to the Unemployment Insurance Act and the way in which the unemployed in Canada are used as a means of setting up a scapegoat or strawman within which the public can vent its spleen with respect to their frustrations with a government which does not address itself to the problem of unemployment. So we need a scapegoat in much the same way as we needed a scapegoat with respect to rising inflation. The workers' wages were the reason for rising inflation; so the government, which is very adept at whipping up a scapegoat from time to time, whipping up a spectre and laying it out before the people of Canada and then riding to the rescue as a Sir Galahad to save the people of Canada from inflation, lo and behold presented an anti-inflation program under that guise. In much the same way I have seen those who have been unfortunate enough to become unemployed, and there are more than a million of them across the country.

The Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) said recently, "Now it is becoming blasé". Ministers troop across the country, are proud and trumpet to the people that they should expect rising unemployment and rising food prices. The idea is to inure the people to the concept that they have to live with high unemployment and rising food prices.

In my short span of time in this House I have observed amendments which were brought in to the Unemployment Insurance Act. I saw the changes brought in with Bill C-69 a year or so ago. I observed, in effect, how the former minister of manpower and immigration, now President of the Treasury Board (Mr. Andras), defended the minor attachment period of eight weeks at that time. He kept saying, "This is a red herring which the official opposition, the Conservative party, represented by the hon. member for Hamilton West, keeps dragging across the committee. What we have to do is tighten the eight weeks qualifying period, move it to 12 weeks or possibly to 20". There were many to my right who suggested moving it to 20 weeks before unemployment insurance payments could be collected. I saw the former minister of manpower defending that concept and this led me to suspect, and I have since confirmed it in my mind, though I have no empirical evidence, that there must be two groups of bureaucrats warring within the breast of the Minister of Manpower and Immigration (Mr. Cullen), one arguing that we have to tighten up the act, and the other saying, "Look, this is a red herring. The problem does not lie with the minor attachment period".

I listened to a great defence of the minor attachment period of eight weeks in 1975. I heard it also in 1974 when the estimates were before the committee. I heard a great defence put up by the former minister of manpower and immigration against the suggestions of the Conservative party members sitting on the committee and pushing at that time for a longer minimum attachment period. Mr. Speaker, it is not very often I see eye to eye with the Canadian Association of Mining Companies. Still, this group of associated companies is, I suppose, very conscious of its need to maximize profits and minimize costs. I find this statement in their brief with respect to Bill C-27. It says at page 5:

The association condemns the abuses which some unemployment claimants have made of the eight weeks' qualifying period. It is also aware that this period is shorter than that found in all other foreign jurisdictions, while the maximum level of benefits and the time during which they can be drawn are in excess of those found elsewhere.

● (1210)

Then this is the important statement.

Nevertheless, with close to one million Canadians unemployed, and with most projections, including those issued by the government and its agencies, indicating the situation may worsen, the time is simply inappropriate from almost every perspective to seek a substantial qualifying period.

No one could ever accuse the Canadian Mining Association of being left-wing. Certainly, no one could accuse them of wanting to protect malingerers or of supporting disincentives to the work force of this country. We also discovered that the Manpower department has done some projections on the unemployment rate in this country and on what will be the number of unemployed a few years from now. When we asked for this information in committee, we were told—and maybe there is some justification for this—"We can't tell you this because it might be misinterpreted. We can't give you the background because we might end up with all sorts of problems".

We are experiencing very serious unemployment indeed at the present time. People far more qualified than I project that the present trend of high unemployment will continue possibly into the early 1980s. This government is making changes to the Unemployment Insurance Act which will cause problems. When they first brought in changes they had to do with minor attachment to the work force of eight weeks to 12 weeks, with 20 weeks being major attachment to the work force. If that change was so well thought out, why is the government now coming along with a regional approach to the minor attachment period?

The answer is that the government is responding to the political realities which were trumpeted from the back benches. In effect, the backbench Liberals in Atlantic Canada

put pressure on the minister and indicated that they would stall the bill or vote against it if he did not retreat from the position he had taken. In the same way the official opposition was split. There were many Conservatives from eastern Canada, although we did not see much of them in committee.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I do not mind the hon. member for Nickel Belt (Mr. Rodriguez) rehashing the same old nonsense that I have been hearing since 1971, but at that time the NDP opposed an amendment that we moved raising the qualifying period from eight to 12 weeks. I do not mind this old hash about my right-wing philosophy, but what I do mind is when he refers to the activities of members of the standing committee. He most unfairly directs his attention to members who in one way or another have raised their concerns about this whole bill. The hon. member himself did not play such a great role in committee; he was absent many times and I had to bail him out on several occasions. He has no business referring to the activities of members of committees. I hope the hon. member sticks to his usual useless rhetoric and—

Mr. Deputy Speaker: Order, please. The hon. member's comment could have been made in seeking the floor in due time. The Chair cannot prevent the hon. member who has the floor referring to debates or to procedures in committee after the committee has reported to the House. That is his privilege, as it is the privilege of other members. At the same time, if the hon. member for Hamilton West (Mr. Alexander) has a different opinion, he can speak after the hon. member has spoken and express his own view.

Mr. Rodriguez: Thank you, Mr. Speaker. I will continue where I left off. The hon. member for Hamilton West (Mr. Alexander) trumpeted what a great thing he had done in getting the minimum attachment period increased. He is so busy patting himself on the back that he will break his wrist. He did a great job. But when the trade unions were before the committee, was he ever quiet on the subject of the minimum attachment period! The UAW took a very firm stand in opposition to it, and so did the CLC. I did not hear great arguments put forward by the critic from the official opposition party on the Manpower committee. I did not hear him saying that it was a disincentive. I did not hear the Conservative party support the tightening up of the qualifying period.

Mr. Paproski: You were not there that day; or if you were, you did not hear.

Mr. Rodriguez: The hon. member for Edmonton West—

Mr. Paproski: Edmonton Centre.

Mr. Rodriguez: Edmonton Centre (Mr. Paproski)—is playing right end. I did not see him in committee. When this question of changing or tampering with the minimum attachment period came before the committee, the government received a great deal of flak from backbench Liberals from Atlantic Canada. Those in the official opposition from Atlantic Canada, with one or two exceptions, were absent from committee when this matter was dealt with. The Conservatives were split, as well.

The witnesses who appeared before the committee, especially the trade unions, time and again suggested that the government ought to focus its attention on unemployment in Canada instead of tampering with the minimum attachment period. Just to show the House how the resultant political decision was made, the minister trotted in a regional breakdown. There were to be 54 regions across the country, and then there were to be rates of unemployment with participating weeks of employment attached to those rates in order to qualify for unemployment insurance benefits. It is a bureaucrat's dream. They all have jobs now. This scheme was trotted into the committee ill-prepared, ill-defined, and when we started asking questions as to how it would work we found that they had very little idea how it would operate.

Certainly, the minister cannot stand in this House and tell us that this program is well thought-out. The information on which it was claimed that the minimum attachment period was a disincentive was based on the comprehensive review of the unemployment insurance program in Canada. We had one such example of narrative reports which went into the comprehensive review of unemployment insurance in Canada. That one referred to employment patterns in the Atlantic provinces. The studies, the reports and the data collected were all done by the Unemployment Insurance Commission and a few consultants that they retained for that purpose. They were probably paid excellent salaries to do that. I do not know why they feel they have to undertake solving the unemployment problem in this country themselves.

● (1220)

They referred to personal interviews. The whole study was an internal study done by the Unemployment Insurance Commission. On the basis of that study, a proposal was brought forward indicating a change from eight to 12 weeks which was to reflect the regional rate of unemployment. We have disagreed with that method of establishing the minor attachment period within the Unemployment Insurance Act. If that is what is going to be done, then the premiums paid by people participating in the unemployment insurance program ought to reflect the risk of their becoming unemployed. At that point the entire thing becomes a jungle. In Calgary, where the unemployment rate is low, the rate someone pays in premiums ought to reflect the risk of his becoming unemployed and collecting from the program. If you accept the premise of going to a regional rate of unemployment, persons in areas of high unemployment will participate at a lower rate in terms of number of weeks to collect benefits, and it ought to work the other way with respect to premiums.

I should like to read into this debate some of the comments from the groups who appeared before the committee. For example, I am referring to the United Auto Workers who appeared and said the following:

> We want jobs; we need jobs; the right to a job should be as basic as any civil rights (if not more so). The failure of the government and our social system to guarantee this right forces us to depend on unemployment insurance. The

government, in Bill C-27, is attempting to further erode even this secondary right to unemployment insurance, and it offers as compensation for this certain reorganizational changes in the Manpower programs. Below we present our position and comments on both the changes in unemployment insurance and the changes in Manpower policy. We oppose extending the qualifying period for benefits from the present eight weeks of insurable earnings to the proposed 12 weeks.

We in this party have always maintained that we do not support those who take from a program unjustly or illegally or use the program as a rip-off. We have never supported that. We have said the act provides the tools for the commission to enforce the legislation. Therefore, with the tools they have, they are able to select groups if they suspect certain groups are ripping-off the unemployment insurance program. They have the tools, and they certainly have the authority under the act to enforce the legislation. To turn around and say that this is a disincentive, without providing the proof, is certainly a disservice to the unemployed in this country.

There have been suggestions from the government and from the official opposition that the eight to 11-weekers—that is, the eight to 11-week wonders—is the area where there is a disincentive to work. It leaves itself open to cheating by those who are lazy and do not want to work. As recently as May 28, 1975, the former minister of manpower and immigration had this to say:

If you examine where those short-term attachment people are, you will find that they coincide with areas of this country that have the more chronic conditions of high unemployment.

... they occur in Quebec and the Atlantic provinces to a higher degree because the conditions of disparity there are such that people get marginal jobs, which are almost coincidental with short-term attachment jobs ... So I think we have to be extremely careful before we tamper with this (qualifying period).

At that meeting, on the same day, the minister had this to say:

The incidence of disentitlement or disqualification, as an effect of failure to meet one's obligations under the act, is lower amongst the group with a minor attachment to the work force as their proportion of the total claims load than those with a long term attachment to the work force.

As I said before, one wonders what goes on over on the government side of this House. Less than two years ago the former minister said that there was no hanky-panky in the area of minor attachment, and that in effect minor attachment is highly correlated to the areas of seasonal unemployment in Canada. Yet the minister has now come in, armed with a comprehensive review done on in-house studies and reports. That was laid on the people of Canada and it confirms what they have been thinking. They were thinking that these people were collecting unemployment insurance and ripping off the system. That is the conclusion and that is the inference.

We could never accept that in a bill in which the minister talks about work-sharing, job opportunities and job training. How can we take the government seriously in terms of their commitment to eliminate unemployment in this country when it knows, at this particular time in our history, that unemployment is running at about 8 per cent and is talking about cutting back the minor attachment period?

I mentioned the in-house studies on which this proposal was based. I have to be very leery and very suspicious when the Department of Manpower and Immigration does a narrative report on the various areas of Atlantic Canada and refers to Christmas tree harvesting in Nova Scotia. The report reads:

Christmas tree harvesting lasts for about eight to 12 weeks and employs only a few hundred, mostly in the Bridgewater area. The labour force is about 50 per cent men.

Off-Season Employment: In the Bridgewater area Christmas tree harvesting industry, the men would have a fair chance of finding additional work with highways, the town or the municipality.

That is all speculation; there is no statistical information. When one asks for the figures, you find they do not have them. We only have the opinions of our local Manpower officers in these areas. From Nova Scotia they slip over to New Brunswick, and this is what they have to say about agriculture:

● (1230)

In New Brunswick, only a few of the agricultural industries have employment lasting less than ten weeks and relatively small numbers of workers are affected.

Again, we have no statistical information as to how many farms there are, how extensive agriculture is in New Brunswick, and how many people are employed in the industry. We have no idea of the rate of drop or rise in farming in that province. They go on to say:

Food processing firms generally have employment of long duration and only those additional employees required for harvesting may not obtain 12 weeks of employment.

This is really the question. These are the kinds of studies on which this very basic change is being made to the act, tampering with the minor attachment period at a time of high unemployment based on these kinds of narrative reports. This is ridiculous. Here is one that is even more atrocious. It is an overview of Atlantic Canada through the eyes of Manpower officers in that area. It reads:

Canada Manpower centres have reported instances of potential claimants quitting their jobs at the peak of the season so that they will qualify with the highest average insured earnings possible.

Who determines that they are potential claimants quitting their jobs early? Do they give us numbers? Do they give us locations? Do they give us facts on whether they have a legitimate claim or whether, in effect, they were cut off? We have none of these figures, yet the minister says, "Take my word for it; this is a fair thing we are doing". The minister said that this has proven to be a disincentive. How is it a disincentive? He points to the fact that they found out, as stated in the comprehensive review, that young people are moving in and out of jobs. The ILO discovered that it is the nature of young people to have a short attachment period to the work force and that this is a factor with respect to that group of workers until they attach themselves to the work force when a different pattern develops. This report, entitled "Highlights of an Examination of Employment Patterns in Atlantic Canada", states:

Generally speaking, it would appear there are few industries or firms which are limited to less than ten weeks of operation in any 12 months' period. Those which are so constrained employ few workers.

I do not think that bureaucrats at the top have been to Newfoundland and to some of the outports there where you

cannot get eight weeks of work, much less ten weeks, and in three years time 14 weeks. You are rising, Mr. Speaker, and I think you are trying to tell me something.

Mr. Deputy Speaker: Yes, I have to tell the hon. member that his time has expired. I have already allowed him to take advantage of the 30-minute allotted time to the mover of a motion. Perhaps the House will permit me at this time to propose to the House motions Nos. 8 and 10 appearing in the name of the hon. member for Brant (Mr. Blackburn). They were enumerated in the list. Motion No. 7 is in the name of the minister. To proceed in an orderly fashion, motions Nos. 8 and 9 should be put to the House.

Mr. John Rodriguez (for the hon. member for Brant, Mr. Blackburn) moved motion No. 8:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 29 by striking out line 10 at page 12 and substituting the following therefor:

"eight or more weeks but less than".

Hon. Bud Cullen (Minister of Manpower and Immigration) moved motion No. 9:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended

(*a*) by renumbering clause 30 as subclause 30(1);

(*b*) by striking out line 21 at page 12 and substituting the following therefor:

"(*a*) has, subject to subsections (3) and (4), had fourteen or more weeks of";

(*c*) by adding immediately after line 23 at page 12, the following new subclause:

"(2) Section 17 of the said act is further amended by adding thereto the following subsections:

"(3) During the period of thirty-six months that begins on the day that this subsection comes into force, the number of weeks of insurable employment that a claimant shall have in order to qualify to receive benefit shall be the number of weeks shown in table 3 of schedule A, based on the regional rate of unemployment that applies to him.

(4) The commission may, with the approval of the governor in council and subject to affirmative resolution of parliament, extend the period of thirty-six months mentioned in subsection (3)."

Mr. Deputy Speaker: This also brings motion No. 10 before the House.

Mr. John Rodriguez (for the hon. member for Brant, Mr. Blackburn) moved motion No. 10:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 30 by striking out line 21 at page 12 and substituting the following therefor:

"(*a*) has had eight or more weeks of"

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want to supplement some of the comments made by my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), on the amendments that are before us to the Unemployment Insurance Act, specifically the one that raises the minor attachment period from the existing 8 weeks to a new formula varying between 10 and 14 weeks. I want to say at the outset that I think the intent of the amendment moved by the government is based on the wrong premise. It is based on the assumption that somehow people are taking advantage of the unemployment insurance program, especially young people and women, by getting eight weeks' employment and then collecting unemployment insurance benefits.

The reasoning behind the various amendments we have before us seems to be to end this abuse by designating the minimum qualifying period of work according to the unemployment rate in the region; but the total effect is to raise the minimum number of weeks of work required before one is eligible for unemployment insurance benefits. When we look at the figures and the nature of those who are minor claimants—those who in the past have worked a minimum of eight weeks—we find that the greatest proportion of these people come from areas in the country where unemployment is very severe.

I recall going to Newfoundland and Cape Breton, together with the leader of our party and some of my colleagues, on a fact-finding mission about unemployment and what the federal government agencies, the Department of Manpower and Immigration and the Unemployment Insurance Commission, were doing to meet the problem. There we saw the severe unemployment and learned from officials in the federal departments, as well as from employers and people in the labour movement, that for many Newfoundlanders—indeed, it seems to be the case more and more with Cape Bretoners—it is difficult in many cases to find work for periods of eight or ten weeks at a time because much of the work is seasonal.

We were told, for example, that young people and women often sought employment in fish plants, but it was the exception if they could find eight or ten weeks steady employment at a time at the fish plants, because it was a seasonal kind of employment with up and down cycles, so they could probably get work in the fish plant for five or six weeks and then be laid off. There was a built-in disincentive to going to work. If someone was receiving benefits and the job was open at the fish plant, but it was only for six or seven weeks, if that person took the job it would disqualify him, after he was laid off, from getting unemployment insurance because of the lack of qualifying work weeks. So there really was a disincentive to work in that situation.

● (1240)

Raising the minimum work requirement to anywhere from 10 to 14 weeks is not really going to be an incentive for people in high unemployment areas to stay on the job or not to move from one job to another. The plain fact is that job opportunities are just not there. Let us consider, for example, what these changes will do to the Newfoundland economy. It will disqualify people from receiving unemployment insurance benefits. Millions of dollars of funds which would otherwise be in

the hands of families and consumers would not be available. That money could work its way through the Newfoundland economy. However, if this bill passes, it will not be available. I am surprised and somewhat appalled that some of the Newfoundland Liberal members are not making a case for their constituents, for the businessmen or for the economy of Newfoundland which will feel a tremendously negative impact once the bill is passed.

The amendments are based on the false premise that somehow people are not looking for work in economically depressed areas. The fact is that permanent work is not available. The Minister of Manpower and Immigration (Mr. Cullen) says that most of the people claiming unemployment insurance after working only eight weeks are young people, students and housewives, people whose attachment to the work force is not on any long-term basis. The minister says that these people only work to earn an income supplement, and that if we disqualify them or make it harder for them to collect unemployment insurance there will not be any real suffering because they are not serious workers in the first place.

Besides the fact that that statement is chauvinistic, I do not think statistics bear the minister out. For example, changes in the act even before this bill was brought in assumed an average unemployment rate of 7 per cent, which is lower than we have now. The change to increase the qualifying period of work will mean that some 330,000 workers in Canada who become unemployed will not be able to receive benefits. The minister says the number will be roughly 50,000 because there are only 50,000 affected at any given time. But I look at the total picture. When we have one million unemployed already, it seems a backward approach to throw another 300,000 on to the unemployment rolls and not at the same time provide benefits, because we all know that if people are disqualified from receiving benefits, somebody has to pick up the tab. Unless we have become such a callous society that we throw people out on to the street because they have no income with which to pay rent, unless we let families starve because they have no income, disqualifying them from unemployment insurance benefits only means we move them on to municipal welfare rolls, which means the taxpayers will bear the burden.

At least in the unemployment insurance scheme, workers, employers and the government contribute to the funding of that scheme. When we move people from unemployment insurance to welfare, the burden is borne entirely by the Canadian taxpayer.

Mr. Epp: Who pays for it now?

Mr. Symes: I said that unemployment insurance is funded by workers and employers.

Mr. Epp: Who are they?

Mr. Symes: They are taxpayers.

Mr. Epp: Right.

Mr. Symes: And that is based on their earnings. It is based on a formula. If we take people off unemployment insurance benefits and put them on welfare benefits, there is a different tax formula which applies to Canadian taxpayers.

Mr. Epp: But it is still the taxpayer who pays.

Mr. Symes: I do not disagree, but I am talking about fairness in the way the income and property tax system works. It is that system which funds municipal welfare. I think the unemployment insurance method of raising funds to help the unemployed is far superior to the direct taxation system which pays for municipal or provincial welfare. City welfare budgets will have to be increased to handle this. This means that funds will be taken from other municipal projects to pay welfare payments to unemployed people. I think that will be discouraging for any municipal council to have to face in this time of increasing costs.

The minister tries to make out that young people and housewives will be the only ones affected by these changes. However, if we look at those who have been disentitled because of the 8-week to 11-week period, and if we use figures for the first five months of 1976, the latest I have, we find that of those receiving unemployment insurance benefits the people who work between 8 weeks and 11 weeks make up only 15 per cent of all beneficiaries. Let us think for a moment about that proportion. The minister and his officials try to leave the impression that a great proportion of the unemployed work only 8 weeks to 11 weeks and that they are the ones making claims. The figure is only about 15 per cent. If we look again at the first months of 1976, we find that 63.8 per cent of all 8-weekers to 11-weekers were in Quebec and in the Atlantic provinces. It is in those areas that we find the lowest job vacancy levels and histories of seasonal work.

This reinforces my argument that the number of people with minor attachment to the work force is quite small compared with the total number receiving benefits. Second, Quebec and Atlantic Canada, with their high unemployment and seasonal work, are hardest hit. The minister argues that many women have a minor attachment to the labour force, but this change will affect some 214,000 men and 116,000 women. In other words, more men will be affected by this change than women, contrary to the impression the minister tries to leave with us. In the construction industry, where there is already severe unemployment, this change will make it worse for construction workers. We have to emphasize the fallacy of the argument that young people and women will be mainly affected by these changes. All segments of the work force will be affected, Mr. Speaker.

• (1250)

Throughout the past year I have met weekly with constituents on a variety of problems. Each time I hold constituency office hours, invariably a young person comes to me with the problem of finding work. They range from high school students looking for summer work to finance higher education, to university and community college students looking for summer

work to finance their further education, but more despondent are the young graduates of community colleges and universities who come looking for job leads. They want to work at anything rather than being on unemployment insurance. I have to be honest and tell them that I am afraid the situation will only get worse.

The government is not serious about restructuring the economy so that there will be job-creation in any meaningful and permanent sense. Rather than getting busy and attacking unemployment, they find it easier to tinker with the unemployment insurance system. When young people are so desperately looking for work, it is wrong for the Minister of Manpower and Immigration (Mr. Cullen) to try to give the impression that they are not serious about working but prefer to flit from one job to another and work only the minimum number of weeks required before collecting unemployment insurance.

Various witnesses who appeared before the committee stressed that the amendments to create areas of differing qualifying periods would mean a bureaucratic nightmare. The unemployment insurance system is difficult enough to administer. It makes no sense to have a regional formula whereby a person living in a high unemployment area may need a shorter qualifying period, and a person who lives in a low unemployment area would need a higher qualifying period. This will create all kinds of injustices.

How is it to be administered? Are we to build a sort of Berlin wall between the various regions of Canada in order to restrict workers who move from one area to another in an effort to find jobs because the bureaucrats claim they are trying to circumvent the regulations this way? I do not think this system is workable, Mr. Speaker, and it will not alleviate the needs of the people, which is what the act was designed to do.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member. The time allotted to him has expired.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to speak as one from an area of low unemployment, namely, Saskatchewan, and support my two colleagues from northern Ontario who have just spoken. The amendment proposed by the government will cause hardship in my area as well because it will probably end up as one where people will have to work 14 weeks in order to qualify for unemployment insurance.

An hon. Member: You never worked 14 weeks in your life.

Mr. Nystrom: In spite of the fact that it is an area of low unemployment, some people are in a similar position to those in other areas. There are seven Indian reservations in my constituency, and there are a lot of Indian people living in Yorkton. The city of Regina is now 15 or 20 per cent Métis or Indian. Indians who live on the reservations are not included in unemployment statistics, while those who live in urban areas often need retraining. An increase in the attachment period from eight weeks to 14 weeks will put more of the Indian and Métis people who live in the cities of Regina, Yorkton and Saskatoon on the welfare rolls. This is a cold, bureaucratic way of tackling the problem, and it is one of the things that angers me about the Unemployment Insurance Act.

Another thing that angers me about the act is that it discriminates against many rural people who are disqualified from benefit because they are not available for work. Indeed, some people who come to my office admit they had lied to the Unemployment Insurance Commission in order to receive benefits, and other people who told the truth did not receive benefits. Often, women in a rural area who do not have a car to drive to the city UIC office are cut off benefits, but those who live in the city and can use public transportation to visit the office or to seek work are not cut off. If the rural people lied and said they were looking for work, they would not be cut off either.

Perhaps I should call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

CONGRATULATIONS TO SPAIN ON RESTORATION OF PARLIAMENTARY DEMOCRACY—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, one that even the Prime Minister (Mr. Trudeau) might find acceptable being fresh back from the United Kingdom. At a time when the disappearance of democratic governments is more often noted than their reappearance, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this parliament join in congratulating the people of Spain on the restoration of parliamentary democracy in that country underlining as it does the role of a constitutional monarchy in facilitating the development and retention of parliamentary democracy in a land with great traditions and deep differences.

Mr. Speaker: Order, please. The presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—PROPOSED INVESTIGATION OF MR. CHOQUETTE'S STATEMENT NO POLICEMEN INVOLVED—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter arising out of a statement attributed to the former Minister of Justice for the province of Quebec and quoted in the press yesterday in which Mr. Choquette maintained that he made the statement which he made on October 12, 1972, namely that no policemen were involved in the raid that took place in Montreal. In light of the fact we now know that at the time Mr. Choquette made that statement, RCMP headquarters in Ottawa was well aware that an RCMP officer as well as others were involved, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Solicitor General to order an investigation into the sources of information which led the former head of the Quebec Provincial Police to inform the former minister of justice of the province of Quebec, Mr. Choquette, that no police officers took part in the break-in at L'Agence de Presse Libre on October 6 and 7, 1972.

Mr. Speaker: The presentation of such a motion for debate pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR ASSURANCE AID REACHES THOSE FOR WHOM IT IS INTENDED—MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion on an urgent and important matter.

Considering that Canada, as a member of the Commonwealth, supplied Mozambique with powdered milk intended for the children of that country, and the fact that this powdered milk never reached the people in need who were dying of hunger, but was distributed instead to the members of Fidel Castro communist guerrillas stationed in Mozambique, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That a committee of the House be requested to study once again Canada's external aid so that we may feed the needy instead of those who want the revolution and our destruction.

Mr. Speaker: Order. Under the provisions of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT PRAXIS CORPORATION—INVESTIGATION OF PERSONS ALLEGEDLY INVOLVED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question relates to the whole matter which will be the subject of a debate later this week, namely that of illegal break-ins by certain police agencies, and has regard to a whole range of unanswered questions with respect to the break-in and arson at the office of the Praxis Corporation in Toronto, particularly in light of the fact that the loot which resulted from the theft ended up in the custody of the RCMP and, subsequently, in the Solicitor General's office. Meeting with the Solicitor General yesterday, I informed him of evidence which came into my possession over the weekend with respect to names, places and events in connection with this break-in. Is the Solicitor General prepared to inform the House today what action he has undertaken, or is undertaking, to have this information verified and the persons I have named investigated?

Hon. Francis Fox (Solicitor General): I wish to thank the hon. member for meeting with me yesterday afternoon and leaving information with me. I thought at the end of our meeting that he would wait some time before bringing the matter up in the House so that I might have had an opportunity to determine whether some of the allegations contained in the hon. member's information were founded or not founded. I have examined the matter with the RCMP and instructed my officials to bring all the information which the hon. member brought to my attention directly to the attorney general of Ontario because the information he did bring to me, while it related to the possible participation of members of other forces in a possible break-in at the Praxis Institute, did not in any way refer to a break-in in which the RCMP would have participated.

I should recall to the hon. member that all documents in the possession of the RCMP were turned over to the Metropolitan Toronto Police Department a few months ago for examination and the matter was inquired into by the Metropolitan Police Department. Also, it was brought to the attention of the Crown attorney under the jurisdiction of the attorney general of Ontario and he concluded that no criminal offence had been committed by any member of the force in connection with the possession of stolen documents.

As to the break-in itself, the information the hon. member passed on to me indicated that it would have been perpetrated by members of another police force and I am getting in touch immediately with the attorney general of Ontario to ensure that this information is brought to his attention in view of the fact, as has been many times stated in the House, that the enforcement of the Criminal Code under the present constitutional set-up, which hon. members on the other side have always said was too centralized in the hands of the federal

government, is in the hands of provincial attorneys general. I have brought the information to the attention of the proper law enforcement authorities.

BREAK-IN AT PRAXIS CORPORATION—REASON ALLEGEDLY GUILTY PERSON NOT PROSECUTED

Mr. F. Oberle (Prince George-Peace River): I am encouraged by the minister's answer. It is not my intention to release or make public in the House today the names of the persons I discussed at the meeting yesterday. But it is widely reported that Inspector Venner of the RCMP who, on behalf of the force, communicated with officials of Praxis after the exposure of the EPO list, could not reveal the source of the evidence which was used by the former solicitor general as the basis for his EPO letter for the reason that the life of the agent through whom the RCMP obtained the evidence was in danger. Since there is sufficient evidence that this agent was also the thief and arsonist, does the minister intend to investigate this aspect of the case and establish for the public record on what basis this person or group of persons was, and still is, granted total immunity from the law?

Hon. Francis Fox (Solicitor General): My recollection of the matter, subject to verification, is that the identity of the person who handed over the material to the RCMP and whose life at that point was judged to have been in danger should his name have been publicly revealed was, indeed, brought to the attention of the Metropolitan Toronto Police Department in order to enable them to fulfil their investigation in accordance with the normal course of enforcing the Criminal Code in this country.

ALLEGED BREAK-INS BY MEMBERS OF FORCE—REQUEST FOR PUBLIC INVESTIGATION

Mr. F. Oberle (Prince George-Peace River): A final supplementary question. It is important to the House to know today that the minister is not merely using the information I gave him yesterday to stonewall this matter further. I should like to ask him whether, in light of what he has learned now and the events that have occurred in Montreal, he is reconsidering or recommending to the Prime Minister to reconsider their previous stand as to the initiation of a judicial or federal inquiry into this whole matter.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think one thing which seems to have escaped the attention of the hon. member and of other hon. members on that side of the House is that, whether there is a judicial inquiry at the federal level, there is nothing to prevent a province fulfilling its responsibilities so far as the administration of justice is concerned and holding its own judicial inquiry.

So far as the break-in in the Toronto area is concerned, I really wonder whether the opposition is now taking the position that the federal government, as a new matter of policy, should pre-empt the provinces in the field of administration and enforcement of the Criminal Code. If this is a new proposition which is being advanced by the opposition in the course of debate, it is an interesting one but one that ought to be rejected. The administration of justice in this country has always been the prerogative of the provincial attorneys general, and it is indeed an outstanding proposition to hear members on the other side say that is ought not to be so.

ALLEGED DESTRUCTION OF FILES—REQUEST FOR ASSURANCE ONLY NARCOTICS DESTROYED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question with respect to the information that I brought to the Solicitor General's attention yesterday. Now it appears that indeed there were materials incinerated, which I understand are now alleged to have been narcotics only. Can the Solicitor General indicate to me whether he has actually seen the documentation authorizing, or the manifest dealing with, this material that was destroyed and whether he is satisfied now that there was nothing else but drugs incinerated in the very impressive looking furnace that we saw last night.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am, of course, delighted to hear the hon. member now qualifying and protecting his position, following the very serious allegations that he made.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Remember he still has a supplementary; you had better be careful.

Mr. Fox: To answer to the hon. member's question, I think he would wish to join me in commending the force on their very successful operations in the drug field. I wish to report that there were indeed two cases of incineration during the course of the month of June. The hon. member referred to one yesterday. There was a case of incineration on June 2 when 800,000 grams of hashish and two pounds of other drugs were destroyed in the Westmount incinerator in the presence of inspectors from national health and welfare. I understand that the market value of those drugs was somewhere in the vicinity of $12 million, which is surely another indication of the high quality of work which the force does offer Canadians right across this land, including the province of Quebec.

I had the matter of the destruction of files investigated and it is reported to me that on June 3, 1977 there was 20 linear feet of files incinerated, also in the Westmount incinerator. All of these files were from the specialized sector of the force.

Some hon. Members: Oh, oh!

Mr. Fox: Mr. Speaker, I think that the hon. member raised a very serious question and I would appreciate it if I were given the opportunity to reply to it. The material which was destroyed was strictly on the criminal investigations side. It was destroyed following a report which had been made on May 23 of this year by the divisional audit officer of the RCMP who, having gone through "C" Division in Montreal, made a number of recommendations to the commanding offi-

cer of "C" Division. One of the recommendations made was that certain files, which had no value and were no longer active files, be destroyed. That is the policy of all government departments—to destroy material which is no longer relevant.

● (1420)

REQUEST FOR DETAILS OF FILES DESTROYED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I am grateful to the minister for his comprehensive answer. By way of supplementary, I should like to ask him whether any of these documents that were incinerated, or all of them for that matter, were the subject of proper orders? Is there a manifest or a record available of what they contained? Has there been any microfilming done? Have any of these things been preserved? What was the currency of this material? Did it involve any material which has been the subject of investigation since 1971 or 1972? Was there any 1974 material, for example?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the files were incinerated in accordance with the normal policy of the force. This type of destruction of irrelevant material is applied right across the country in the various regions where the force operates. As I indicated before, it was done in the same manner as within government departments. These files dated back to the year 1966. However, I am informed that any information which was pertinent was transferred to the national criminal investigations unit of the RCMP. No information of current value was destroyed.

Since the hon. member raised the question yesterday, I should add that no material was destroyed, which was in the possession of the security service, and no material pertaining to any inquiry presently under way in the province of Quebec was destroyed during the course of that incineration.

Some hon. Members: Hear, hear!

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE MINISTER OF SUPPLY AND SERVICES GAVE INFORMATION TO SOLICITOR GENERAL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Supply and Services which pertains to a statement made by the Solicitor General in the House on Friday, based in part on information given to him by the Minister of Supply and Services. The question I have for the minister is: could he tell the House at what time he provided information to the present Solicitor General concerning the meeting which took place between himself, former Commissioner Higgitt and certain other officials on November 6? When did the present Minister of Supply and Services provide that information to the present Solicitor General; and second, does he recall, according to the report made to the House by the present minister, that he at any time during the past year said something which flatly contradicts information provided by the minister in his statement to the House on Friday?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, as I gave notice to the Chair, I intend to rise on a question of privilege at the end of the question period and at that time I shall make the statement I prepared if the Chair accepts my question of privilege. I also want, again if the Chair agrees and if the House gives its unanimous consent, to answer all questions which will be put to me concerning my statement.

[*English*]

Mr. Speaker: Order, please. For the sake of clarity, what the minister has told the House is what he already told the Chair, that is, he has the intention of seeking the floor on a question of privilege. If it meets with the wish of the House, he would be prepared to answer questions relating to the statement he makes on the question of privilege. Of course I cannot prejudge the matter until we come to that point. I thought the minister wanted to put that on the record; but it does not alter the basic rule which governs and restricts the question period in respect to responsibilities of ministers.

Mr. Broadbent: Mr. Speaker, I appreciate the announcement made by the minister. I will withhold any questions I have until he makes his statement on privilege.

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[*Translation*]

FINANCE

PROTESTS OF LIFE INSURANCE AGENTS CONCERNING BUDGETARY PROVISIONS—GOVERNMENT POSITION

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Finance. Considering that the majority of life insurance agents vigourously object to the new budget measures of last March 31 concerning the taxation of the death benefits of life insurance policies, and considering also the impact that legislation will have on life insurance, could the minister tell the House whether he intends to take into consideration the representations of life insurance agents and, if so, how?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not quite accept the preamble of the hon. member's question, but I must point out that we have proposed changes in the taxation of life insurance policies in the bill we introduced a week ago, which I believe will lessen the impact of such taxation on low income earners.

Mr. Gauthier (Roberval): Mr. Speaker, I thank the minister. Another point on which I want to draw his attention is the following: considering that the budgetary propositions of last March 31 seem very discriminatory towards medium income earners, and considering that people buying life insurance policies do so to provide their families with a protection, could the minister tell the House whether he is considering withdrawing the propositions concerning those groups which he himself announced when he tabled his budget?

Mr. Macdonald (Rosedale): Mr. Speaker, we proposed this change in the budget to avoid discrimination as regards life insurance. The insurance companies themselves suggested that we change our taxation procedure. Thus we believe that since that change was made last week, the situation will be fairer for those who save money through life insurance policies or other similar means.

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[*English*]

ADMINISTRATION OF JUSTICE

LIBEL ACTIONS AGAINST MINISTERS—CONSULTATIONS WITH MINISTER OF JUSTICE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to direct a question to the Minister of Justice. Has the minister been consulted by his colleagues, the Solicitor General and the Minister of Supply and Services, as to their legal position in respect of several libel actions registered against them in the courts, and is he still of the same opinion as was stated by him in the House last week in respect of this matter that the persons named in the Solicitor General's extra parliamentary opposition letter have not been harmed or injured in any way by this incident? Is it still his opinion, and has he been consulted by his two colleagues in their official capacity?

Hon. Ron Basford (Minister of Justice): No, I have not, Mr. Speaker. I am not sure whether I have read of the summons in the newspapers, and whether the writs in fact have been served I have not been advised. Obviously, when and if they are served, there will be communications either between my colleagues and myself or between my colleagues and my officials.

PROPOSED TRIBUNAL TO ALLOW PUBLIC SERVANTS NAMED ON BLACKLIST TO CLEAR THEIR NAMES—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): In view of the fact that writs of summons do reflect on public servants, has the Minister of Justice caused some investigation to be carried out in respect of this? I hope he would have done this at least as Attorney General. Is the minister now prepared to reconsider his refusal to consider a tribunal in which the persons who were named in connection with the extra parliamentary opposition can find access to redress and restitution so that the duty that the government has to all its public servants, but particularly in this case to those who have commenced legal proceedings, can be fulfilled without the necessity of an expensive and long legal process?

● (1430)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would prefer that the writ or writs which have been issued be served before we deal with them.

[Mr. Gauthier (Roberval).]

ANTI-INFLATION PROGRAM

POSSIBILITY OF AGREEMENT ON RESTRAINT WHEN CONTROLS END

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Prime Minister. Following yesterday's talks with 15 business, labour and public interest groups would the Prime Minister indicate if he is more confident today of securing a binding agreement among economic decision-makers for voluntary restraint when controls end, or, if he is less confident there will be such an agreement, does he still hold to his belief that it would be folly to terminate controls without such an agreement?

Right Hon. P. E. Trudeau (Prime Minister): I am somewhat more confident, Mr. Speaker.

* * *

ANTI-INFLATION ACT

DATE OF INTRODUCTION OF AMENDMENTS CONCERNING PAY AGREEMENTS—EFFORTS TO PERSUADE PEOPLE CONTROLS SHOULD BE REMOVED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is to the Minister of Finance. Last Thursday during the debate on the controls question the minister indicated that, and I quote: "The government has decided to propose amendments to the Anti-Inflation Act to deem pay agreements to be amended to be in line with AIB decisions or those of the administrator". Would the minister indicate when he intends to introduce such amendments, and bearing in mind that it is likely the minister would want amendments passed before decontrol begins, would he also indicate the deadline he intends to suggest for the passage of those amendments?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the amendments would be introduced when the House reconvenes in the autumn. As to whether they will have received full parliamentary approval before the process of decontrol starts, that is something over which I do not have control. However, as I indicated in my statement last week, it would be the intention to introduce the amendments and, as with a budget document, they would have the same effectiveness from the introduction date as they would when the bill is ultimately passed.

Mr. Stevens: Mr. Speaker, the minister also said last Thursday that, and I quote: "Widespread acceptance and support of controls are something of an embarrassment. The political problem is not to take them off but rather to persuade constituents that it is in their interests in the long run that they be removed". Would the minister indicate what steps he has taken or intends to take to persuade such constituents that it is in their interests to remove controls?

Mr. Macdonald (Rosedale): Mr. Speaker, that was very much the tenor of discussions between myself and my colleagues and the groups we met yesterday. What was interest-

ing was that the employer groups from British Columbia and Quebec both supported the continuation of controls for some time but indicated that they should be removed by the phased method. I think that is some indication on their part that they expect to see further protection from the controls for some months yet, but they are welcoming the phased decontrol method, which has been the government's preferred option.

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FISHERIES

JOINT VENTURES WITH EUROPEAN NATIONS—COUNTRY TO WHOSE QUOTA CATCH ALLOCATED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and the Environment. In view of the announcement in Nova Scotia that a two-week fisheries trade mission has laid the groundwork for the establishment of co-operative fishing arrangements with several European fishing nations, both for the short-term and on an on-going basis for several years, would the minister indicate if he has agreed to the establishment of these joint ventures with the Europeans and Soviet bloc countries within Canada's 200-mile economic zone and the number of joint ventures approved? Would he also indicate whether the quotas to be caught will be from the countries involved in the joint ventures, or will they be taken from allocations to Canadian fishermen?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the hon. member's question creates a difficulty because I have seen no details of the proposals which are being discussed. As I have indicated, this has been a matter of at least one year's record. I can see joint arrangements, but I do not see joint ventures because I do not see the need for foreign capital in processing facilities. The need for joint arrangements is to be looked at on an ad hoc basis very carefully, and the principle that where fish can be caught by Canadian fishermen they should not be caught by foreign fishermen should be maintained.

DATE WHEN EXPANSION OF FLEET CAN BE ANNOUNCED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, since it is obvious that joint fishing ventures can only be considered as stop-gap measures until we develop our own fishing capability—and this was endorsed by the minister's answer—I would like to ask him when we can expect an announcement of proposals which will enable Canadian fishermen and the Canadian shipbuilding industry to expand Canada's deep sea and inshore fishing fleet?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, surely the hon. member is not advocating that we undertake construction of more vessels. That is what we have done in the past, and it has created a very large over-capacity. Our policy is to allow the stocks to recover. Those stocks which we have traditionally been interested in are rather seriously depleted, and recovering those stocks will take some time. Meanwhile, we are looking at the fleet and the need for replacement. However, I am sure the hon. member shares my view, because of his knowledge of the matter, that because we have the economic zone drawn on the map does not automatically multiply the number of fish, which seems to be an attitude which is developing in the Atlantic provinces now.

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CANADIAN BROADCASTING CORPORATION

REASON FOR INADEQUATE COVERAGE BY PROGRAM "NEW BRUNSWICK TODAY"

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Secretary of State. It has to do with the non-action on the part of the CBC regarding radio and television programming in northern New Brunswick in the area of the Bay of Chaleur. In addition to the problems with the radio side of it, I am wondering if the minister would inquire as to why the program "New Brunswick Today" refuses to give appropriate and adequate coverage to that part of the province.

Hon. John Roberts (Secretary of State): Mr. Speaker, I have received some representations from the hon. member in relation to the broadcasting system in the past, and I am exploring those with the CBC. I am sorry to hear about these latest difficulties. I am glad the hon. member has brought them to my attention, and I shall certainly make representation in an effort to try to have the hon. member's representations dealt with adequately and as quickly as possible.

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ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—POSSIBILITY OF DEAL FOR LESSER CHARGE THAN BREAK AND ENTER

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General, and it concerns the Montreal break-in. The three police officers charged in that case were charged under section 115 of the Criminal Code, which is a catch-all section to catch any violations of any federal statute. The result is that it was possible for them to get unconditional discharges; whereas if they had been charged with breaking and entering, that disposition would not have been available to the judge.

Has the Solicitor General been able to determine whether the RCMP officer in question made an agreement or a deal with the prosecuting attorney to have a lesser charge than breaking and entering laid in exchange for a plea of guilty?

Hon. Francis Fox (Solicitor General): No, Mr. Speaker, I have not been able to ascertain that. I must say once again that the matter of the break-in was inquired into very extensively by the department of the attorney general of the prov-

ince of Quebec. That department received the full co-operation of the RCMP in that respect. As I indicated in my statement, the Commissioner of the RCMP met with the investigators from the Quebec government in August of 1976. I assume that following the completion of their investigation the attorney general of the province of Quebec decided—which is his sole prerogative—to charge the member of the RCMP, the member of the Sureté du Québec and the member of the Montreal Urban Community Police under section 115 of the Criminal Code.

RESPONSIBILITY FOR ALLEGED DESTRUCTION OF PRAXIS FILES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the Solicitor General is of course aware of the many allegations which have been made surrounding the Praxis break-in in Toronto. I am sure he is also aware that Assistant Commissioner Vermeer, who is in charge of the Ontario region for the RCMP, has indicated that some files were destroyed. Has the Solicitor General determined who is responsible for the destruction of Praxis files, if that occurred? Can he advise the House why it was necessary to destroy any of those files, and has he determined whether the destruction of private property in that particular instance constituted an offence under the Criminal Code?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I thank the hon. member for his question. I must point out, however, that I have answered that question a number of times in this House. Following the disclosure of the fact that the RCMP still had documents in its possession, the documents were turned over to the Metropolitan Toronto Police Department. An investigation was carried out by that department, and the files were then turned over to a Crown attorney in Ontario. It was the Crown attorney's determination that no subsequent action of a criminal nature against the RCMP was justified.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—RESPONSIBILITY FOR INFORMING MINISTER—POLICE NOT INVOLVED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, with regard to the telegram sent by the minister of justice of the province of Quebec to the then solicitor general indicating that no illegal activity had taken place involving any police force in the Montreal break-in, has the Solicitor General now determined whether the involvement of the RCMP in that case led to that particular telegram? In other words, did the RCMP mislead or lie to the minister of justice of Quebec, which inspired the telegram which was received by the previous solicitor general indicating that there had been no police involvement in the break-in?

● (1440)

Hon. Francis Fox (Solicitor General): Mr. Speaker, I know the hon. member was not in the House on Friday and he obviously has not had time to read my statement very carefully. I think if he does he will find the answer to his question there.

[Mr. Fox.]

AIRPORTS

CHARLOTTETOWN—REASON FOR INCREASE IN RENTAL FEES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister and concerns the recent communications from the Canadian Air Transport Administration to Eastern Provincial Airlines and Air Canada operating in the Atlantic provinces about the significant increase in rental fees for the use of the Department of Transport terminal building, and in particular the unbelievable increase being considered for Charlottetown. This amounts to an increase of more than 750 per cent, using the same square footage but simply increasing it in terms of the new terminal to be provided. In light of the fact that the Prime Minister indicated earlier that guidelines were generally available to various departments keeping in mind regional disparities, can he indicate what kind of agreement exists between his office and the Department of Transport on these unbelievable and unacceptable increases for the provision of new terminal facilities in Charlottetown?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of this particular case but I will be glad to take note of the question on behalf of the Minister of Transport. I can assure the hon. member that he will get an answer.

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REGIONAL ECONOMIC EXPANSION

IMPACT OF ALLEGEDLY EXCESSIVE INCREASES IN RENTAL FEES AT CHARLOTTETOWN AIRPORT

Mr. David MacDonald (Egmont): While the Prime Minister is investigating the general application of his guidelines perhaps I could ask the Minister of Regional Economic Expansion whether he was advised or consulted about this 750 per cent increase from an $8,000 rental for Eastern Provincial Airlines this year to $90,000 in future years, with new terminal facilities, and whether his department has analyzed the impact that this kind of increase will have on intraregional transportation and the fastest growing industry in Prince Edward Island, tourism?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, unfortunately I cannot give a detailed answer to the hon. member for the moment. This is a very important point and I will check again what were the consultations between our department officials in Prince Edward Island and Department of Transport officials, and I will then be able to give certain details to the hon. member.

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

SUGGESTED WITHHOLDING OF DECISION ON DUMP UNTIL CITIZENS OF BEDFORD AND SACKVILLE COMPLETE COURT CASE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct a question to the Minister of State for Urban Affairs or in his absence to his parliamentary secretary. Notice has been given of the question. Would he agree that no final decision should be made by Central Mortgage and Housing Corporation, which reports to this body, regarding the request by the province of Nova Scotia to locate a dump on CMHC owned lands until residents of the future town of Bedford backed by the residents of a future city of Sackville, both in my constituency, have had their day in court and that right has been upheld by the Supreme Court of Canada?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, without prejudice to the matter in the courts, the minister has written to the minister of provincial affairs in Nova Scotia and told him that, although there would appear to be no impediment to CMHC getting involved in such a project as the land fill project at Jack's Lake, he has reservations about the possibility of CMHC going ahead because of the strong sentiments voiced by the people in the area and also because of the decision that was taken by the provincial government to change the original plans for the dump. We think the Beaverbrook change was the decision of the province and therefore it is up to them to bite the bullet.

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THE CANADIAN ECONOMY

FEDERAL JOB CREATION PROGRAMS—MEETING OF FIRST MINISTERS REQUESTED BY PREMIER SCHREYER—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I put a question to the Prime Minister and remind him that in his absence the Premier of Manitoba, Edward Schreyer voiced his concern about job creation and said there would probably be a federal program regarding jobs and called for a meeting of first ministers. Now that the Prime Minister has returned, in order to deal with this very serious matter, has such a meeting been requested by the Premier of Manitoba for this fall and if so, has the Prime Minister indicated his intention in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, some weeks ago the premier wrote to me suggesting a meeting of first ministers on the economic situation in general and the employment situation in particular. I do not recall having answered that letter while I was away in London but I will check if an answer has been sent on my behalf in my absence.

Mr. Alexander: Mr. Speaker, I would hope that the Prime Minister has made sure that in his absence a reply was sent to this very important letter.

UNEMPLOYMENT IN ATLANTIC PROVINCES—REPORT OF ECONOMIC COUNCIL OF CANADA—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, the Minister of Finance is obviously concerned as well so I will direct a supplementary question to him. On May 31 the hon. member for Halifax asked the minister whether he registered his concern about a recent report by the Economic Council of Canada entitled "Living Together" in which it was indicated a much greater jump takes place in the rate of unemployment in the Atlantic provinces than the rest of Canada during a national recession. He also wanted to know if the minister would study the report and discuss it with the premiers of the Atlantic provinces. Has the minister had an opportunity to look into this report, and in light of the very keen and sincere interest registered by the hon. member for Halifax, is it his intention to meet with his colleagues in the Atlantic provinces to deal with this very serious matter of jobs which is adversely affecting the economic life of the area?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I recently sent a response to the hon. member for Halifax on this particular matter which was prepared by my officials after examining the report. The response is the usual stunning complexity of the Department of Finance. I would be glad to send a copy to the hon. member so that he can study it, however. It would indicate some disagreement with some of the assumptions made by the Economic Council of Canada.

Mr. Alexander: Mr. Speaker, I do not accept the minister's reply. I think he completely ignored the second part of my question. In light of the serious unemployment situation faced by the Atlantic provinces, and given the fact that the Prime Minister will likely get in touch with the Premier of Manitoba to arrange a first ministers' conference, would the minister without hesitation contact his counterparts in the Atlantic provinces so that a meeting can be arranged to deal with this very serious situation. Can the minister answer that question without giving me all this gobbledygook?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member asked if I had replied to the question of the hon. member for Halifax. I said yes, and I will be glad to send him a copy of it. I do not know what can be more direct than that.

Mr. Alexander: Are you going to have a meeting or not?

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBILITY OF PURCHASING STATION CJBR-TV RIMOUSKI

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Secretary of State.

On April 29, 1977, the CRTC rendered a decision allowing the purchase by the CBC of Station CJBR-TV in Rimouski. As this decision fully meets the wishes of the people of Gaspé and northwestern New Brunswick, and was endorsed publicly by the hon. members for Bonaventure-Îles-de-la-Madeleine, Gaspé and Madawaska-Victoria, would the minister be in a position to tell the House why the allotment of the credits which are necesary for the concretization of this important project seem to be delayed?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, there have been representations on this matter from both sides of the House on both sides of the question. There seems to be a great deal of controversy about whether this should or should not be proceeded with. There is also of course the question of the government's concern about financial restraint and as a result the matter is still under consideration. I am not sure when we will come to a decision about it.

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AIR TRANSPORT

REQUEST FOR REPORT ON NEGOTIATIONS BETWEEN UNITED STATES AND UNITED KINGDOM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Acting Minister of Transport. Could the minister tell the House whether the government is monitoring the very, very critical stages of negotiations between the United States and Great Britain with respect to the possible suspension of air services between those two countries and if so could he bring us up-to-date on where they stand, particularly in light of the fact that should negotiations break down and air services be suspended, there could be a need to use Canadian airports to facilitate movement by air between those two countries?

● (1450)

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to assure the hon. member that the Department of Transport is following very closely the representations mentioned by the hon. member and that we will provide for special measures to this effect if necessary.

[*English*]

CONTINGENCY PLANS IF TRAVELLERS FROM UNITED KINGDOM TO UNITED STATES DIVERTED TO CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question, Mr. Speaker. In view of the impact which the daily diversion of between 2,000 and 3,000 passengers bound from the United Kingdom to the United States will have on the Canadian air system, is the government considering allowing pre-customs clearance at Halifax on a contingency basis? Also, is the government considering easing, at Mirabel and not just Dorval, restrictions on travel between Canada and the United States and, because Malton will be precluded from use, easing such restrictions at airports such as Halifax?

[Mr. Allard.]

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to assure the hon. member that I shall convey his representations to the minister. Furthermore, I thank him for his suggestions.

* * *

[*English*]

IMMIGRATION

REQUEST FOR MINISTER'S PERMIT FOR THE RAE FAMILY

Mr. Jake Epp (Provencher): Mr. Speaker, my question for the Minister of Manpower and Immigration concerns the Ronal Rae case, about which I have given him notice. Since the Raes entered Canada some ten days after the amnesty program came into force, Mr. Rae having been accepted for entry as a landed immigrant shortly after World War II—and I know the minister has received many representations on the Rae case—would the minister now consider granting a minister's permit to the Rae family on humanitarian grounds, especially since 21,000 such landings were granted in 1975?

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, I think that would be a rather loose use of a ministerial permit. It would not be allowed on that particular basis alone. Mr. Rae is a British citizen who claims originally that he applied to come to Canada in 1947. He lived in Brazil until 1971. He claimed that he always intended to come to Canada but was unavoidably detained for 23 years.

Mr. McKenzie: Don't try to be funny.

Mr. Cullen: I am just giving you the facts, Danny baby. A special inquiry was held and he was ordered deported on April 10 of 1975, almost three years ago, on grounds that he had violated his non-immigrant status. He appealed to the Immigration Appeal Board, the federal court and the supreme court, and all his appeals were dismissed. The supreme court decision was handed down as recently as May 18, 1977. Our Winnipeg office is presently determining the appropriate date for the family's departure from Canada.

Mr. Epp: A supplementary question, Mr. Speaker. Am I to understand from the minister's answer that, despite the representations of responsible people in the Manitoba community, he does not intend to intervene?

Mr. Speaker: Order, please.

FISHERIES

CLOSING OF WEST COAST SHRIMP GROUNDS—DISCUSSIONS WITH UNITED STATES ON EXCLUSION OF CANADIAN FISHERMEN

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. I understand that on Friday, June 17, or on Monday, June 20, the government of Canada by order in council closed the west coast shrimp grounds to United States fishermen, in retaliation for the unilateral closure of United States waters to Canadian trawlers. Has the minister entered into discussions with the commerce department of the United States government regarding the cutting off of Canadian fishermen in United States waters, and does the minister know when the United States Senate will consider the Canada-U.S. agreement covering fishing on the east and west coasts?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the order to close the shrimp fishery applies both to Canadian and United States fishermen. In the case of Canadians, it was made in conformity with the representation they made us. They prefer to fish later in the season. We will now have some time to sort out the difficulties we have encountered with the United States in relation to their interpretation of the interim agreement, an interpretation with which we do not agree. The following two months will give us time to sort out the problem. I am afraid I do not remember the third point the hon. member raised.

* * *

TOURISM

REASON FOR DEFICIT—GOVERNMENT ACTION TO REVERSE TREND

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. The minister is aware that the seasonally adjusted deficit on tourism trade increased to $410 million in the first quarter of this year, a quarterly deficit greater than any annual deficit prior to 1975. Considering that the United States economy has recovered and that that country's bi-centennial celebrations have concluded, can the minister explain to the House what factors are causing the current alarming deterioration of our tourism trade position and, noting that his department has reduced the staff for its tourism program, can he say if his department is taking steps to reverse the trend to higher tourism trade deficits?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I think it is an important problem. Of course, the legislation that the American government has passed, which imposes a limit on the number of conventions that can be held outside the United States and particularly on the amount of expenses allowed for income tax exemptions, has considerably affected our tourist industry in Canada. We have made representations to the Americans to that effect and we hope that changes will be made next fall. My department is working in cooperation with every provincial department of tourism so as to improve the situation here in Canada and I hope we will come up with some results. But again I have been told that the main problem is that too many Canadians take their holidays abroad rather than visiting our country.

* * *

[*English*]

CUSTOMS

EFFECT ON TOURIST TRADE OF ALLEGEDLY UNREASONABLE TAXING OF UNITED STATES CITIZENS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct my supplementary question to the Minister of National Revenue? In view of the seriousness of our deficit position in tourism trade, can the minister explain to the House why her department's excise tax officers seem to have embarked upon a witch hunt against United States tourists, particularly with regard to the assessment of duties and taxes on American groceries purchased by United States citizens for use in Canada, on U.S. manufactured boats used by Americans in Canada and on U.S. registered automobiles leased by Americans for use in Canada? Will she ascertain from her colleague, the Minister of Industry, Trade and Commerce, whether such punitive tax enforcement tactics are likely to assist our declining tourism trade?

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, the question is a bit strange, but I do not know what electors the hon. member represents. Customs duties are unpleasant for everyone because, in a sense, they represent an economic police. As I do not know the specific details of the cases to which the hon. member seems to be referring, I should like to know the details instead of generalities, after which I shall be pleased to look into the matter.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION OF CRIMINAL CONSPIRACY AGAINST ADMINISTRATION OF JUSTICE—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Solicitor General. No doubt he is aware that the Prime Minister yesterday, speaking on what he said was an important and serious question, namely, if there was some conspiracy against the administration of justice in connection with the break-in by officers of the federal force, said he would discuss it with the present Solicitor General. As a result of that discussion, has the Solicitor General a statement to make about what action is to follow with respect to these officers, apparently officers of the RCMP, and what on the

face of it looks like a criminal conspiracy against the administration of justice?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think I also said in my statement concerning the police officers that RCMP headquarters staunchly believed an inquiry was being conducted at that time by the Montreal urban community police. I note that the Quebec inquiry, appointed by the Attorney General of Quebec, is seeking to determine specifically why that formal inquiry came to an end. As for the hon. member's specific question, I am still pursuing discussions with the Prime Minister and the Minister of Justice.

Mr. Brewin: A supplementary question, Mr. Speaker. Will the Solicitor General assure the House that as soon as he has come to a conclusion following these discussions with the Prime Minister, he will tell the House what the result is?

Mr. Fox: Mr. Speaker, it has always been my custom and habit, as it has of all members of the government, to inform the House of all pertinent and relevant matters. When the question is raised again, I will do that.

* * *

● (1500)

HEALTH

ALLEGEDLY DEFECTIVE MEDICAL DEVICES—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. It is not often that the minister publicly outlines the inadequacy of the policies of his own department. In a speech dealing with medical devices, he did that a few days ago. Will the Minister of National Health and Welfare confirm what he is reported to have said, that he finds the high proportion of defects in medical devices being used in Canada frightening. If so, can he explain to the House why he, as the minister responsible for public health in this country, has allowed such a deplorable situation to develop?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am Minister of National Health and Welfare precisely to ensure that the citizens of Canada will have not only medication, but also medical instruments of all kinds, whose safety is guaranteed. Now, I should like to remind the hon. member that Canada was the first country in the world to adopt rules requiring the Department of Health to check all medical instruments and devices used in treating patients in Canada. Under those regulations, we received hundreds of thousands of applications for approval of various equipment. We started to check that equipment and found out that quite a number of them were defective. I must say to the hon. member that, in that field, Canada leads the way, ahead of most countries in the world. I am very proud of the fact that my officials have done an excellent job in that regard.

[*English*]

Mr. Yewchuk: The minister has indicated that the number of hazardous products or products of this kind recalled because of defects was as high as 35 per cent in 1976. In his own words, he indicated that we have just barely scratched the surface. Will he now tell us whether we can now look forward to a continuing increase in the number of faulty devices marketed in this country or whether he will now take his responsibility to protect the public interest in this area a little more seriously and take immediate steps to correct this very high proportion of inadequate medical devices.

Mr. Lalonde: As I said before, Mr. Speaker, Canada is a world leader in this regard. We have now received applications for over 100,000 different products manufactured by some 1,500 concerns. We are speeding up the consideration of these various products, but there is no way 100,000 products are going to be verified during the course of this year or even next year. We are concentrating on areas where we are most likely to find deficiencies in order to ensure the protection of the public. Once again, Canada is a leader in this regard and we are proud of it.

* * *

[*Translation*]

PRIVILEGE

MR. GOYER—ALLEGED BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, last Friday the Solicitor General of Canada (Mr. Fox) made a statement to the House concerning the illegal search of the premises occupied by L'Agence de Presse Libre du Québec, le Mouvement pour la défense des prisonniers politiques du Québec and la Coopérative des déménageurs du 1er mai. The Solicitor General's statement was very detailed, clear and precise and as far as I am concerned, I fully agree with its content. Personally, I would have preferred that the House would let it go at that.

Nevertheless, it happens that the Leader of the Opposition (Mr. Clark) expressed some doubts inside and outside the House about the credibility of my explanations on the role I played in this incident. Therefore, I want to reply to him. The leader of the opposition should take note that I consider this statement as being made under oath, the oath I have taken as a member of parliament and as minister of the Crown. I also add that I am prepared to stake my seat in support of my statement and I trust that if a member questions it, he will have the courage to make precise charges and also stake his own seat.

[*English*]

Let me first address myself to the question of whether or not I had any prior knowledge of the October 6-7, 1972, break-in at the APLQ. My answer to that question is a flat no. The Solicitor General's statement in the House made it clear that neither the RCMP headquarters in Ottawa nor the command-

ing officer of "C" Division in Montreal had been told of the search and seizure of documents on the premises occupied by the APLQ prior to the operation being carried out.

I had been briefed several times about certain activities of the APLQ and its alleged links with well known terrorists and convicted criminals. But nothing could have justified illegal acts being carried out by the RCMP or by any Canadian citizen for that matter. Had I had prior knowledge of the operation, I would have intervened to prevent it from happening. The rule of the law is paramount and the police cannot be above the law. No doubt had the former Commissioner or the former Director of Security Services been aware of the plan to illegally break in at the APLQ, they also would have forbidden it. Not once, in my 23 months as Solicitor General, did any RCMP official suggest to me that the RCMP engage in illegal activities in the pursuit of its duties.

About the APLQ letter dated October 9, 1972 and addressed to me; first of all, the letter did not intend to inform me of RCMP involvement in the break-in but rather implied and I quote:

[*Translation*]

. . . if their respective organizations were responsible for that action . . .

Of course they had in mind the Royal Canadian Mounted Police, the Sûreté du Québec and the Montreal police.

I continue to quote:

. . . As Solicitor General, we ask you to act as soon as possible to give a clear and precise answer to our question.

[*English*]

The letter, received October 11, 1972 was not immediately brought to my attention but was referred to the RCMP. This was standard practice. All letters pertaining to the RCMP were immediately referred to them to enable them to proceed forthwith with an investigation themselves and, if the matter was of provincial jurisdiction, to ensure that the provincial authorities were also notified and would investigate. Of course, this method of dealing with complaints about the RCMP was not ideal, but those were the tools available to me at the time. That is why, in the early fall of 1972, I had recommended to the Prime Minister (Mr. Trudeau) that a commission be instituted to look into disciplinary questions and the manner in which to deal with complaints about RCMP behaviour. The recommendation was not immediately acted upon, but the Prime Minister did establish the commission when my successor was appointed.

● (1510)

On October 26, 1972, the RCMP wrote to my assistant, Colonel Cameron, recommending that no acknowledgment of the letter be sent, without providing the reason for their recommendation. My agenda indicates that I would have raised the matter with the Commissioner and the Director of Security Services of the RCMP on November 6, 1972. Was I then informed of RCMP involvement in the break-in? My answer is unequivocal and categorical: no I was not. I was advised not to acknowledge the letter because the theft of documents referred to in the APLQ letter fell under the jurisdiction of the provincial authorities and I was informed that the Montreal police were investigating the incident.

Neither the Commissioner nor the Director of Security Services of the RCMP remember actually telling me about RCMP involvement in the incident. They do say they would be surprised if they had not done so verbally but both state very clearly that they do not remember doing so. Given that the APLQ incident was an unusual and very serious incident, it is likely that if RCMP involvement had been discussed at least one of them would recall the discussion. It is not as if we discussed such issues every day. Moreover, the RCMP's standard way of dealing with important information was to convey it to me in writing. If I may rapidly outline the procedure, important questions were referred to me in written documents, either directly or via the Deputy Solicitor General or the then Director, Security Planning and Research Group, now the Assistant Deputy Solicitor General (Police and Security), on a regular basis, oftentimes as many as five or six such documents per day. Decisions and policy directives were recorded in writing and such documents were initialled by me.

In other words, the RCMP is very efficient and meticulous in keeping its records of discussions and decisions. The Solicitor General Department's files and those of the RCMP contain no written report to me on the APLQ break-in. Although the RCMP officials claim they would be surprised if they had not told me about RCMP involvement, they specifically state they do not remember doing so and they state that such matters would normally have been dealt with in writing.

As to my asking whether or not the RCMP had actually been involved in the break-in, again the answer is no and I will explain the circumstances. Firstly, given the RCMP's distinguished reputation and past record, I found it hard to believe that the RCMP could have participated in an illegal break-in. Secondly, before my discussions with the RCMP on November 6, 1972, the Quebec justice minister had already stated publicly that no police force—not the RCMP, not La Sûreté Provinciale du Québec, not la Police de Montréal—had been involved in the alleged break-in at the APLQ. I had heard about this in the press. The matter fell under provincial jurisdiction, the minister of justice of Quebec had investigated the APLQ allegations and his conclusions were unequivocal. I had no reason to doubt his conclusions. Thus, when I discussed the APLQ letter with the RCMP it had already been publicly stated by the Quebec justice minister directly responsible for investigating this matter that the RCMP was not involved. There was no apparent reason for me to ask if in fact the RCMP was involved.

It has been alleged that it would have been my duty to put the question directly to the RCMP. But remember, the question had already been answered publicly by the responsible authorities. Bearing in mind my respect for the RCMP, given the Quebec minister of justice's statement, I, as any other member, had no reason to ask the question. When the RCMP told me the whole matter was being further investigated by the Montreal Urban Police, I concluded that the matter raised in

the letter had been dealt with. Given the above facts, it is easily understood why I did not ask whether or not the RCMP was involved in the break-in. Any other member would have acted in the same way.

Some hon. Members: Oh!

Mr. Goyer: The Quebec justice minister's statement denying that any of the three police forces were involved in the theft of documents was never brought to my attention as false. On November 27, 1972, I was appointed Minister of Supply and Services and the very first time I learned of RCMP involvement in the break-in was in March 1976.

I would like to remind the House that neither the deputy solicitor general nor the then Director, Security Planning and Research Group, were made aware of RCMP participation in this operation before March 16, 1976. The established practice called for their being informed of important questions pertaining to the RCMP's activities to allow them to assist me in following up on such matters. Normally, at least one of them attended my meetings with the police. Neither one remembers even hearing about RCMP involvement in the break-in at the APLQ.

I know that I was not informed of the incident. There can be no doubt in the minds of hon. members that I was not informed and moreover that I had no reason to suspect that the RCMP could have participated in the break-in.

There should be no doubt also in the minds of hon. members that this illegal break-in is an isolated incident and is far from reflecting force policy. The RCMP and the security services have an outstanding record in carrying out their duties. They may have made mistakes but on the whole the RCMP deserves the recognition that it has earned both within and outside Canada.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, the fact which we must underline at the beginning of our response is that the Minister of Supply and Services declined the opportunity which was available to him on this question of privilege to move a reference of this matter to a committee of the House of Commons for consideration so that he, and others who might be concerned, would have an opportunity to investigate it further, and so that questions might be asked. He had the opportunity, as the matter stands under the rules of the House, to move a motion which would have referred the question of privilege which caused him to rise in the House to a standing committee of the House. This would have given the opportunity for a full investigation. He declined to do that. That is not acceptable to us on this side of the House.

● (1520)

He also declined, Mr. Speaker, to seek an opportunity which again would have allowed some questions in the House; he could have sought permission of the House to make a statement on motions. I make it clear that had that permission been sought from this party in the House—and I am sure I speak for the others—it would have been granted, so that there would have been an opportunity to pose questions directly to the Minister of Supply and Services.

Mr. Speaker: Order, please. The minister has, I take it, given an undertaking to answer questions if they are put to him here. There is now no question about resolving the matter by way of a question of privilege. As the Leader of the Opposition has pointed out, there was no motion attached. I simply want to make sure that we know where we are heading from a procedural point of view. I am sure there will be a desire to ask questions of the minister and I think members ought to avail themselves of that opportunity; but I do not know that we ought to avail ourselves of the opportunity both to discuss privilege and to question the minister. I think we should do one or the other and probably the more effective procedure would be to question the minister.

Mr. Clark: Mr. Speaker, I did not hear the portion of the minister's remarks in which he undertook to answer questions and I apologize to him for that. I appreciate having the opportunity to pose questions. I should say on the question of privilege generally that we on this side of the House are very troubled, as I would hope members on the other side of the House would be troubled, by the abandonment here of the tradition and principle of ministerial responsibility on the part of the minister, in effect passing the responsibility for his actions to his officials.

Mr. Baker (Grenville-Carleton): Again.

Mr. Clark: My colleague says "again", and that is quite correct. The minister has said that he was briefed about this investigation before the break-in. Can he tell the House of Commons what instructions—

Some hon. Members: Oh, oh!

Mr. Clark: Let me be clear, Mr. Speaker. Did the minister say that he had been briefed by the RCM Police or by any of the security forces, on any matter relating to any of the organizations into whose premises the break-in occurred, before the break-in?

[*Translation*]

Mr. Goyer: Mr. Speaker, I am nevertheless surprised to see that after insisting so much to have me make a statement under oath today, the Leader of the Opposition is not satisfied and wants to go further and further! He will have to make up his mind one day on what he wants to say and express it.

In answer to his question, I said, and I quote:

[*English*]

I had been briefed several times about certain activities of the APLQ and its alleged links with well known terrorists and convicted criminals. But nothing could have justified illegal acts being carried out by the RCMP or by any Canadian citizen for that matter.

Mr. Clark: My question to the minister was: When did the briefings begin? Did his briefings begin before the alleged break-in?

[*Translation*]

Mr. Goyer: Mr. Speaker, I do not remember the dates, but that was certainly before the criminal action took place. I had the opportunity several times to receive documents from the RCMP on the activities of that organization, but not on plans to seize documents illegally.

[*English*]

Mr. Clark: Mr. Speaker, now that we have established that the minister was briefed and engaged himself in briefings relative to these organizations prior to the break-in, would the minister tell us, without going into detail but without omitting any central direction, what kind of direction he gave to the security forces, to any of the security forces, relative to the means they should follow and the evidence they should seek to secure concerning any of these organizations?

[*Translation*]

Mr. Goyer: Mr. Speaker, directing police operations is not the function of the Solicitor General but that of the police commissioner. Indeed, the responsibility of the police includes briefing the Solicitor General on all matters related to national security and, in this respect, the police has fulfilled its duties.

[*English*]

Mr. Clark: Mr. Speaker, I am sorry to keep having to come back to this question. What instructions did the former solicitor general give to the security forces of the RCM Police prior to the break-in?

[*Translation*]

Mr. Goyer: Mr. Speaker, I have never given illegal instructions to the police force as to the means to secure information. The means have always been legal and in line with what is allowed under the Official Secrets Act.

[*English*]

Mr. Clark: Mr. Speaker, I do not want to impose longer upon the time of the House, but would the minister commit to writing or deposit in the House of Commons, since this is a matter which is now closed, a matter that is no longer under current investigation, or would he make a formal deposition outlining all of the instructions that he gave relative to the organizations whose offices were broken into, what instructions he gave to the RCM Police or other security forces prior to the break-in? He has now admitted that he was briefed before the break-in. We want to know what he told the police forces before they broke into the premises.

[*Translation*]

Mr. Goyer: Mr. Speaker, I truly believed that the Leader of the Opposition was a responsible man. He certainly does not have the makings of a prime minister. Just the same, I certify to the House that the only instructions which have ever been issued to the Royal Canadian Mounted Police are legal ones. I shall certainly act in a responsible fashion and look into the files of the RCMP to ascertain whether I can supply additional information. I have no memory of whatever instruction may have been issued. Although I have no memory of that, I certainly remember that there has been nothing illegal, no matter what the Leader of the Opposition may say. If he has information to the contrary, he should level specific accusations and put his seat on the line.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in dealing with the minister's question of privilege I too should like a minute to respond, being one of those who raised serious questions and concerns. I want to deal with three important points in the minister's statement. One concerns knowledge, the second concerns ministerial responsibility and the third concerns the very grave implications of the RCMP's behaviour which have been deeply confirmed by the minister's statement today.

Firstly, the minister claims to have had no foreknowledge of the break-in. I think no one at any point, that I am aware of anyway, has questioned his contention on that. I must now confess openly to not having the second question unequivocally resolved. I will give the minister and the House reasons for that. The Solicitor General's statement made in the House concerning the meeting of November 6 indicates that the minister was not informed about the break-in at that meeting, and the former minister has repeated this afternoon that he was not informed. I am still left with some doubt on the issue, and I should like to indicate to the minister why.

● (1530)

In a Vancouver *Sun* article on December 7, 1976 the minister is quoted. I have ascertained the accuracy from the reporter's point of view—the accuracy of his notes of direct quotations attributed to the minister at that time and printed in the Vancouver *Sun*. With reference to the minister's knowledge of the break-in after it occurred, presumably arising from discussions he had with Mr. Higgitt and others, he did not know accurately what he recalled. The article quotes the minister as saying the following:

> This was four years ago and I don't remember in precise terms what happened in this particular case.
>
> I knew about this association (the APLQ) and I know it was of interest to us because of its activities. But this is as far as I can remember.

The question the minister was responding to was: was he informed after the event about the RCMP's role in the break-in? As reported here, the minister said last December that he could not remember because it was some four years ago. He could not remember whether he was told after the event or not. Now it appears, both from the Solicitor General's statement and the minister's statement today, that since last December his memory has tightened up and now recalls with clear and unequivocal precision—

Miss MacDonald: Under hypnosis.

Mr. Broadbent: —that at the meeting of November 6 with Mr. Starnes and Mr. Higgitt he was told of the break-in. I want to be fair to everyone concerned, including the minister, and I would like also to have the truth; but it seems to me there is a pretty clear contradiction between these two asser-

tions. On the one hand, the minister said last December that he could not recall if he learned of the break-in after and today in the House—

Mr. MacFarlane: That is what the article says.

Mr. Broadbent: That is perfectly true, that is what the article says. The reporter, with whom I have checked, said that he has checked his notes.

Mr. Baker (Grenville-Carleton): You are not the minister, Gus.

Mr. Broadbent: I am being serious about the event, and I hope hon. members opposite are being equally serious. I am just putting that on the record—

Mr. MacFarlane: Put the truth on the record, then.

Mr. Broadbent: I have a concern about the truth of the matter. The second point raised by the minister concerns his own responsibility. There is no question of veracity of statement here, but there is a very basic question of exercising his responsibility as a minister at the time. With reference to that meeting of November 6, he said that he did not put the explicit question to Mr. Higgitt or Mr. Starnes—were the RCMP, or were they not, involved in the break-in? He gave two reasons, as I recall. One was that the question had already been dealt with publicly by the former minister of justice, Mr. Choquette, and Mr. Choquette had already denied that there was police involvement. That is not very persuasive, because Mr. Choquette has to get his information from the police force and the police were passing on testimony about their own behaviour. That was not sufficient grounds for not posing the question. Second, he referred to the general respect he had for the RCMP which led him not to pose that question directly. In terms of his exercising his ministerial responsibilities—

Mr. MacEachen: How about some questions, instead of long speeches?

Mr. Clark: You cannot take the heat, Allan.

Mr. Speaker: Order, please. I brought the hon. Leader of the Opposition (Mr. Clark) somewhat to order at the initial stage of this to indicate that we are here on a rather extraordinary procedure. We have a situation where the minister has raised this matter by way of a question of privilege and has agreed to answer some questions. There is no argument about the question of privilege because there is no motion attached to it. I can only allow to a limited extent, as I have tried to do, the hon. Leader of the Opposition to expose very briefly the line of questioning he might follow. I am attempting to do the same thing with the hon. member for Oshawa-Whitby (Mr. Broadbent).

I do not think we are into a situation where contributions can be made by both sides of the House on the alleged matter of privilege, because there is no matter of privilege. There are questions available, and I should extend to each party what I have extended—an opportunity to make a very brief statement

[Mr. Broadbent.]

and then get on to the questioning. That is how it should be governed.

Mr. Broadbent: Mr. Speaker, I respect that, but I am sure you recognize that the minister has made a statement on this important matter and the rest of us made accusations either directly or indirectly and want to deal directly with the matter now. I do not find the minister's explanation acceptable. I am referring to his explanation for not putting the question directly to Mr. Higgitt and Mr. Starnes at the time. We know from the press at the time that he knew the RCMP was monitoring this group and was watching their activities. In the same newspaper article he is quoted as saying: "We were watching this group". Once the serious accusation had been made by the group, that the police had been involved in the break-in, or queries were put to the minister implying that they were, there was an elementary responsibility on his part to put the question at that meeting before he replied to the letter—did you or did you not take part in the break-in? I conclude that point with that observation. He was negligent in his responsibility.

Finally, my third point is that there was indeed a conspiracy involved in this operation on the side of the RCMP. I do not hesitate in saying that. Mr. Starnes and Mr. Higgitt met with the former minister to discuss a letter which asked questions about RCMP involvement, and they did not have the courtesy or integrity to bring to the minister's attention what they knew at the time. That was a clear neglect of their responsibilities. Any meaning of the word "conspiracy" in this activity applies directly to the top level of the RCMP. That has been confirmed here today in the minister's statement.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I am never very happy to take part in discussions which could create some doubt among the public about the sincerity of a minister or a member of parliament. This is always truly disagreeable, but when you have to do your duty, you must do so with courage and try to throw some light on the matter and give justice to those who deserve it. I recognize that it is impossible from a human point of view to do so because God is the only judge since He knows everything.

In any case, the minister said earlier in his statement that he agreed with the statement made by the Solicitor General of Canada (Mr. Fox) on Friday, June 17, 1977. He even went further and stated that he was willing to put his seat on the line, which is a formidable challenge to the accuser who provoked him more directly.

Mr. Speaker, I have often witnessed such challenges, but not in the House of Commons. I have seen challenges of this type during the Taschereau administration in the province of Quebec. This was during the debates on public accounts, and three, four or five times a day, someone made this challenge: Put your seat on the line if you want to prove such or such a thing! No member ever lost his seat because of this and no one ever followed up these charges.

I seriously believe that this will not solve the problem. I am greatly concerned about this, Mr. Speaker, and I would like to

ask two questions of the minister following his question of privilege. I am especially concerned by the fact that this whole question should come to the surface after five years. Is justice in Canada so slow? Must such convoluted procedures be used to establish the innocence or the guilt of someone? Is this Canadian justice? No wonder so many ordinary citizens in our society do not believe in it anymore. They know where justice courts are located but they are often looking for justice. It is not the same thing.

● (1540)

I was surprised last week when I read in a newspaper that the accused who had pleaded guilty were nonetheless discharged by the judge presiding over the court. I do not intend to comment on the decision of that court but, Mr. Speaker, I can ponder over the content of this report which indicates that these individuals who pleaded guilty ended up by being discharged. Something is not clear in this case or at least in my mind. If it is clear, it has to be clarified to me and I will do my best to understand.

My first question to the minister who just made a statement is the following: could he tell the House what happened to all the documents which were seized by the RCMP and their friends at L'Agence de Presse Libre du Québec? What happened to them?

My second question is the following: In view of the very clear statement made by the minister to satisfy both Parliament and the public at large, will the minister tell the House whether he would be prepared to recommend to the cabinet the setting up of an inquiry, given the fact that the RCMP is involved and that this body is placed under federal responsibility?

Mr. Goyer: Mr. Speaker, I have no authority to recommend anything to the cabinet. It is up to the Solicitor General or the Minister of Justice to make such recommendations. As for me, as Minister of Supply and Services, I do not feel at all entitled to do it.

If you will allow me, Mr. Speaker, I would just reply very briefly to an allegation made by the leader of the New Democratic Party regarding an article published in the Vancouver press. I remember quite vividly the event. There was then a public sale by the Crown Assets Disposal Corporation and I was also about to announce the introduction of a new coin to commemorate the 25th anniversary of the rule of Her Majesty the Queen. At that time, I did say repeatedly to newsmen that that was the purpose of my visit to Vancouver—Vancouver Island in fact. What happened is that the newsman insisted that we talk about that matter and other issues with respect to the time when I was the Solicitor General. I told him I did not want to make any comments on that subject. As he insisted and was asking if I knew the L'Agence de Presse Libre du Québec, I told him that I did know of the activities of that agency and that in so far as I was concerned, it constituted a threat to the security of the state. This was as far as I went because at that time I had neither the desire nor the necessary preparation to discuss this issue. If today my words are interpreted in a different manner, as I do not doubt the good faith of the leader of the New Democratic Party, in those circumstances, I am therefore led to question either the good faith or the accuracy of the recollection of the newsman.

[*English*]

Mr. Fraser: I wonder if I could put a couple of questions to the minister. As I understand the story from the statement of the Solicitor General (Mr. Fox) and from the minister today, the position the minister takes is that when the letter of October 9, 1972 came to his attention, it was not so much in the form of a letter informing or assuming that the RCMP, the provincial police of Quebec and the municipal police were involved, but a letter inquiring about it—I think that is the word the minister used. I see him nodding in agreement. At that stage, when the letter was discussed with officials of the RCMP, can the minister remember, to the best of his ability, whether in anything they did or said the RCMP officials who were with him indicated a denial that the break-in about which the letter inquired took place? Was there any suggestion that the minister can remember from any of the RCMP with whom he discussed that letter of denial or was there any implied denial of the suggestion that there had been a break-in by the RCMP?

[*Translation*]

Mr. Goyer: Mr. Speaker, I am afraid this is going very far into details. I recall very well what I had in mind. First of all, the provincial attorney general had denied any involvement of the police of Montreal, Quebec or Canada; second, I found it unlikely that the RCMP could have been involved in any illegal activity and, third, police officers had repeated to me that night, at the meeting, that anyhow the Attorney General was responsible for the inquiry conducted by the Montreal police. Let us wait for the results of that inquiry. That is very simply what happened.

[*English*]

Mr. Fraser: I accept what the minister says. The question which I think is concerning a great many people is why, in the absence of some denial on the part of the RCMP officials, did the minister not, of his own volition ask point blank of the RCMP—despite whatever the minister had heard from the minister of justice or other press reports—the simple question as to whether there was any truth in this allegation. Why was that question not asked?

[*Translation*]

Mr. Goyer: Mr. Speaker, of course, all kinds of scenarios may be imagined after the fact. Some may wonder why I did not call the Quebec Minister of Justice to ask him whether he had told the truth when he said that the police were in no way involved. Of course, I could have called the director of security services and told him that the letter from the APLQ was still an important letter from a respectable organization and asked him whether the contents of that letter were true, and so on. But these are scenarios which are easy to imagine after the fact. The fact remains that considering the circumstances prevailing at that time, I think it was simply showing one's

good faith and confidence in the police and in the Quebec Minister of Justice to take their word. If a minister should act otherwise, I think there would have to be inquiry after inquiry on all the briefs he receives from government officials. We cannot operate in this manner.

● (1550)

[*English*]

Mr. Fraser: Mr. Speaker, I do not want to be in the least facetious on this matter. I want to thank the minister for being here to be questioned, but I suggest that he probably now wishes he had asked that question.

I have one further question. Following the letter and after the discussion with the RCMP officials, was there any further discussion between the minister and any other RCMP officials? Between the time he looked at the letter of October 9, 1972 and the time he left his post as solicitor general was there any further discussion with any officials of the RCMP concerning this particular event, or was the discussion we have heard about concerning the letter the last discussion that the minister, as the then solicitor general, had with officials of the RCMP?

[*Translation*]

Mr. Goyer: No, Mr. Speaker.

[*English*]

Mr. Fraser: In view of the minister's answer I wonder if I might be permitted to ask another question. Could the minister advise of what further discussions there were? What was the purport of those discussions, what was the effect of those discussions and were any further questions raised between the minister and the RCMP as to whether the RCMP was involved in the break-in? Can the minister help us in that regard?

[*Translation*]

Mr. Goyer: Mr. Speaker, from the time when I discussed the matter with the RCMP, on November 6, until I was appointed Minister of Supply and Services at the end of the same month, I did not have occasion to bring up the matter with the RCMP, nor did they take the opportunity of our meetings to discuss it.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I feel that it is almost impossible to get the true facts with this system of questioning.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: It is easy to raise alibis while pretending to praise the RCMP. As a result of the statements made—

An hon. Member: Oh, oh!

Mr. Diefenbaker: If the hon. gentleman will rise and make his observations, I will listen to him, but his observations indicate that the hon. gentleman does not want to be identified with the nonsense he is expressing.

Some hon. Members: Hear, hear!

Mr. Olivier: Go back home this time.

Mr. Diefenbaker: I listened to the minister, and it surprises me that what he expressed today he did not express when he was leaving for Africa to give the French republics there an idea of true democratic government and how it operates. When he was asked on that occasion, why did he refuse to give any answer? I am sure he will have an alibi for that too, but in order to enable him so to have, I feel that this whole matter should be dealt with by the Standing Committee on Privileges and Elections.

Mr. Trudeau: Make an accusation.

Mr. Diefenbaker: That is the only way in which the views of all parties directly or indirectly involved can be secured and a decision arrived at in justice to the minister and also to the Royal Canadian Mounted Police who, unless such an investigation takes place, will be in the position of having been subject to a selective presentation by the minister. While praising the mounted police the minister was actually leaving the impression, strongly worded, that the mounted police are seriously subject to criticism. I am not speaking about the break-in as such. I think serious mistakes were made in connection with the acceptance of the decision of the court that certain wrongdoers should be in a position—whatever their position and however high it may be—of not being subject to the penalties that the average Canadian would be subject to on a plea of guilty.

I therefore move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the matter of the involvement of the Minister of Supply and Services before and after the break-in into L'Agence de Presse Libre be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Speaker: I am sure hon. members will anticipate that the Chair would have some grave reservations about the procedural regularity of such a motion. Motions tabled are upon notice. Notice has been given to the Chair of a question of privilege by the Minister of Supply and Services (Mr. Goyer), but he has not, in connection with that notice, given the Chair notice of any motion. The right of any other hon. member to move a motion either upon privilege or upon any other subject at any time is described in our Standing Orders. I believe that any other motion tabled at this time would be subject to the same restrictions and requirements as it would be under any other circumstances, that is, that the Chair would first have to have been given notice.

I suppose a question would now arise as to whether notice by the Minister of Supply and Services of his intention to raise a question of privilege constitutes notice that any other hon. member might now move a motion. That is something on

which I am prepared to hear discussion, if there is any, and I will withhold my decision until after I have heard some discussion. I noted that the President of the Privy Council (Mr. MacEachen) was seeking the floor. I do not know whether it was for that purpose or not.

Mr. Hnatyshyn: Mr. Speaker, as usual, I think your observations are correct inasmuch as normally if a question of privilege is to be raised and if a motion is to be moved, notice would have to be given in advance of the sitting. We find now that the Minister of Supply and Services (Mr. Goyer) brings himself before this House allegedly on a question of privilege with the idea of giving his version of the situation to this House. When he came before the House on a question of privilege we would have expected that if he were intending to rise on a question of privilege and if he were legitimately concerned about clearing his name and the reputation of the RCMP, he would accompany that statement with a motion to have the matter referred to the appropriate committee. Not having done that, he has abused the procedures of this House.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: He has abused the procedures of this House by not bringing that forward, and that only shows the speciousness with which he attends this House to make a statement based on his own selective memory. So I think it is very appropriate, in view of the fact that we would have expected a motion to follow a question of privilege which was legitimate, if it was legitimate, for the right hon. member for Prince Albert (Mr. Diefenbaker) to move his motion on a fresh item of privilege at the first opportunity which arose during the course of debate.

Under those circumstances I think it is quite proper for an hon. member to do so. It is only where a matter is to be brought up at a subsequent sitting and after the event that the requirement is that notice be given with respect to a matter which took place on a preceding day. However, this happened just now. We now find after the minister has spoken that he does not intend to make a reference to a committee, to allow hon. members of this House to investigate any documentation or to examine in the course of committee hearings any people who were involved either as officials or senior officials of the RCMP in order to get a complete story and a proper perspective and, indeed, to have the benefit of the information, advice or testimony of any person who may be able to shed light on this particular matter.

● (1600)

With all due respect, I would think the motion is most appropriate at this time. It highlights and underlines the fact that the Minister of Supply and Services is not the least bit interested in shedding light on the matter.

Mr. Speaker: I think, in the interests of more enlightened discussion, I can expose one or two other problems about the matter. I am afraid it is not just a simple matter of procedure of notice of the motion. I do not think there has been a previous occasion when one member has moved that the conduct of another member be referred to the Standing Committee on Privileges and Elections. What is involved here is procedure, but we have a more detailed and deeper problem than that, namely, whether the matter is one of privilege or one that has to be argued.

Traditionally, when a member of this House seeks to have his own conduct reviewed by a standing committee of the House, obviously the standard of the question of privilege is relaxed somewhat because any member who seeks that is generally granted it. To extend that to a situation in which one member seeks to have the conduct of another member investigated by a committee, however, means that a number of severe standards come into play. It will not fall simply on a matter of notice, but becomes a substantive matter of whether it qualifies as a question of privilege. It would be curious to find that no member could have moved the motion yesterday or a week ago to refer the conduct of the Minister of Supply and Services to the committee on the question of privilege, but that it could be done now after the minister has made a statement. I am not sure about that, but I am prepared to listen to argument.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I find the turn of events rather surprising. Yesterday the Minister of Supply and Services (Mr. Goyer) was almost bullied by members of the opposition who were asking him to get up in the House and clear his name. The Leader of the Opposition (Mr. Clark), both in the House and outside the House, called upon the minister to make a statement and to subject himself to questioning. The hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Oshawa-Whitby (Mr. Broadbent) inferred in their comments yesterday—

Mr. Broadbent: Implied.

Mr. MacEachen: —that there was a matter of privilege at stake and that the minister ought to take advantage of it, in the words of the deputy House leader on the other side, "to clear his name."

Mr. Hnatyshyn: As a minimum.

Mr. MacEachen: Then, the minister having risen and having made a statement—

Mr. Diefenbaker: And having not cleared his name.

Mr. MacEachen: The right hon. member for Prince Albert (Mr. Diefenbaker) says, "Having not cleared his name". I will return to that a little later. The Minister of Supply and Services made his statement and then opened himself to questions by hon. members opposite. The Leader of the Opposition came to bat, and what happened? He struck out!

Some hon. Members: Hear, hear!

Mr. MacEachen: One after the other, all members of the opposition were given the opportunity to question the minister, and he answered their questions. The right hon. member for

Prince Albert, realizing that the situation was going so badly and that the minister was doing so well, said, "Let's stop this. Let's go to a standing committee."

Some hon. Members: Hear, hear!

An hon. Member: That's right.

Some hon. Members: Oh, oh!

An hon. Member: Come on, Allan.

Mr. Hnatyshyn: We have just begun the battle.

Mr. MacEachen: Obviously, he had no questions to ask the minister. None occurred to him, so in order to put if off for some days he said, "Let's send it to a standing committee."

I find it extraordinary, this development having taken place, that it should be urged that the Minister of Supply and Services, having risen on a question of privilege to clear his name, to defend himself, should then be asked to grant a motion to send his conduct to a parliamentary committee for investigation. If that is the case—when I say this, I do not infer for a moment that the hon. member was not fully entitled to clear his name—but when a member gets up in the House in reply to some charge to clear his name and give an explanation, is he then obliged to send his conduct to a committee for examination? If so, why did the hon. member for Saint-Hyacinthe (Mr. Wagner) not feel obliged to do it? Why did the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) not feel obliged to do it?

An hon. Member: They are going to court.

Mr. MacEachen: They took the honourable course and explained themselves. Their explanation was accepted, certainly on this side of the House.

Some hon. Members: Hear, hear!

Mr. MacEachen: Their explanation was accepted, their word was accepted, but if any hon. member on this side of the House had not accepted the word of the hon. member for Saint-Hyacinthe there was a course open to him. Clearly, he could have risen and said, "I do not accept what the hon. member has said. I think he has been guilty and the smear is justified." An hon. member could have done that and, of course, Mr. Speaker would then find a question of privilege because the hon. member for Saint-Hyacinthe would have been charged with misconduct by a member on this side of the House.

That is the situation we find ourselves in today. Hon. members have heard the minister; they heard him answer the questions. It is open to them to rise on privilege, to make a motion and to define the charge. That is open to them.

An hon. Member: No.

Mr. MacEachen: They can do it tomorrow. Any hon. member can do it tomorrow. Mr. Speaker Michener laid out the ground rules. If hon. members opposite do not want to do the library work on that, I will send the reference to the right hon. gentleman opposite and then he is free to make the charge. But as Mr. Speaker Michener said, no hon. member can be investigated by a motion of this House unless there is a charge and an accusation.

The Minister of Supply and Services is confident of his position. He is confident of the truth of what he says. He is not relying on any rule when he says, "I am prepared to put my seat on the line in support of my statement." If a parliamentary committee investigated his conduct and found that he had told a lie, then he would forfeit his seat. Is any hon. gentleman on the other side ready to take the same responsibility?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I shall call on the hon. member for Oshawa-Whitby (Mr. Broadbent), the hon. member for Grenville-Carleton (Mr. Baker), and then the hon. member for Cumberland-Colchester North (Mr. Coates).

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, one would think we had the period 1972 to 1974 all over again. We have heard the master of persuasive, synthetic argument at it again. The government House leader will note the reference, I am sure. If the matter we are dealing with were simply of procedural concern, then the kind of rhetorical response that the minister, with his rhetorical statement, has generated would be appropriate. He always manages to shift a matter of substance, by clever argument, to one of procedure and leave the House with the impression that that is what the issue is all about.

Let me say, at the outset, that I agree with the substance of the government House leader's response. I, for one, appreciated the fact that the Minister of Supply and Services came into the House, submitted himself in the normal course to a question of privilege, went beyond that and subjected himself to questions.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is why I disagree with the suggestion put forward by the official opposition. I think what the government House leader has said about the way of dealing with the question of privilege is appropriate, and the minister has dealt with that. That is not to conclude, however, as the government House leader implied in his statement, that somehow when the minister got to his feet he did so well with his explanation that the whole world was persuaded of the legitimacy of his case. The fact is quite to the contrary. Certain questions have been raised, following what the minister said, about the appropriateness of his actions as minister and whether he fulfilled his obligations. Indeed, the question of the accuracy of his memory has been raised.

● (1610)

If I may refer back to the earlier question of privilege, the minister suggested that the newspaper article I was quoting

was written by a journalist on the west coast when the minister was out there on another matter. I suggest his memory is failing him. That article was written after a long, detailed interview with the minister here, in his Ottawa office, an interview exclusively dealing with the break-in. I remind the minister of that slight misremembering of a fact.

On procedure, I agree with the substance of the government House leader's argument. This matter should not be referred to a special committee of the House unless a change is made. I categorically disagree, however, with his statement that the minister, in making his statement today, resolved the issue. As we said some days ago, we need a public inquiry. We still need it.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it is obvious that the Minister of Supply and Services (Mr. Goyer) has not satisfied members of the House with his statement concerning the events of that unfortunate period in 1972. There is a great deal to be said in support of a public inquiry for which members of my party have repeatedly called. But the matter of the inquiry rests in the hands of the government of Canada, which so far has engaged in stonewalling tactics. The leader of the New Democratic Party does not think the committee on privileges and elections would be an appropriate forum in which to examine this question.

Mr. Broadbent: Make a charge.

Mr. Baker (Grenville-Carleton): Let me say, sir, that an examination by that committee, which would treat this matter with the fairness with which it has traditionally treated other matters, would be better than not having any inquiry at all. That is the position in which we are left.

Mr. Broadbent: Make a charge.

Mr. Baker (Grenville-Carleton): Some questions must still be answered—

Mr. Nystrom: Make a charge, Walter.

Mr. Baker (Grenville-Carleton): —with respect to the matter.

Mr. Nystrom: Make a charge, Walter.

Mr. Baker (Grenville-Carleton): I will make a charge. I think the minister is absolutely incompetent, and he demonstrated that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Baker (Grenville-Carleton): Mr. Speaker, someone said that I should lay a charge, and I will lay a charge.

Mr. Goyer: You are stupid.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Is it reasonable, sir—

Mr. Nystrom: Walter, that is quite a charge.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not like to be provoked.

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker) may continue in a moment. We have at present a combination of procedural difficulties confronting us. Before proceeding further we must decide whether it is in order for the right hon. member for Prince Albert (Mr. Diefenbaker) to move the motion he has proposed. Obviously, we must clear up that procedural difficulty. Perhaps other hon. members wish to contribute to that narrow procedural point which I can dispose of without further argument. Perhaps I could hear the hon. member for Cumberland-Colchester North (Mr. Coates) on that point. Is the hon. member for Grenville-Carleton continuing on that point?

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am continuing with my statement, I hope with the same latitude as you granted the leader of the NDP.

Mr. Speaker: Order, please. It is still open to the House to question the minister on his question of privilege. He has made that offer and it is still open. However, I have a motion before me and I must decide, on a point of order, whether that motion can, in fact, be moved; that is to say, whether it is in order. The decision on that does not affect the continuation of the argument or discussion on which we were embarked previously concerning the minister's statement, but I must decide whether the motion just handed to me which comes from the right hon. member for Prince Albert (Mr. Diefenbaker), can be moved. Is it in order? If there is further argument on that point, I will hear it, after which I shall return to the hon. member for Grenville-Carleton and hear him on the minister's statement.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, unfortunately I have been in this House—

An hon. Member: Too long.

Mr. Coates: It may be too long for you, my friend, but any time you want to run against me we shall see who will win that battle. We are in a most difficult position because we ignored the rules of the House. A member of this House rose on what was to be a question of privilege; it ended up, apparently, as a statement on motions. I have never, in my 20 years as a member, seen another member rise in this House on a question of privilege and end up answering questions about his responsibilities as solicitor general at a previous time under a previous administration. But that is the situation at present. I can appreciate why the right hon. member for Prince Albert (Mr. Diefenbaker) tried to bring sanity to what has become an insane situation in this House.

The minister rose and made a statement, supposedly on a question of privilege. Then he began answering them. I suggest this should properly be done in the Standing Committee on Privileges and Elections where members would have the opportunity not only to examine his words but the words of others

who were also involved in decisions concerning the illegal break-in. The committee would learn what advice the minister received, from whom he received it, and so on. For instance, I should like to see the minister's executive assistant take the oath and tell members whether or not the minister was informed, when he was informed, and other such matters concerning the letter in question.

I did not particularly care for the President of the Privy Council (Mr. MacEachen) standing up and trotting out that old position, "If you want a member to appear before a committee, make a charge." We have heard the government say this time and again when it stonewalls and refuses to answer our legitimate questions on legitimate matters. The President of the Privy Council tried to cast aspersions on the hon. member for Saint-Hyacinthe (Mr. Wagner). I say to the President of the Privy Council, if the hon. member for Saint-Hyacinthe had been solicitor general at the pertinent time there would not have been any problem with RCMP, illegal break-ins—and we all know why.

The President of the Privy Council tried to leave the impression that if the Committee on Privileges and Elections dealt with all the charges and countercharges which members level at each other in this House, it would be busy indeed. But this is a different case because we are asking for an accounting. We want the former solicitor general to tell us how the RCMP operated in this country when he was solicitor general. That is not just a simple charge made between members of this House; it is a specific matter. As I say, we want to know how the former solicitor general operated when he was responsible for that portfolio. We cannot deal with the matter in this House. The former solicitor general cannot stand in this House on a question of privilege and think he can clear the matter simply by answering questions, because many of the people involved in the case cannot corroborate the evidence the Minister of Supply and Services (Mr. Goyer) is endeavouring to give this House. That is the crux of the matter.

I support the motion the right hon. member for Prince Albert proposes to move. Though it may seem strange in the circumstances, it would, if accepted, let the people of this country know what the former solicitor general actually did and what activities the RCMP were engaged in. We and the people of the country have a right to know how all this came about. We have not been presented with the facts. No wonder the President of the Privy Council and the Prime Minister (Mr. Trudeau) are smiling. They are stonewalling, because the statement on the question of privilege resolved itself into a statement on motions.

● (1620)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to reserve the right you gave me with respect to the broader aspects of this matter. However, I must say that what the hon. member for Cumberland-Colchester North (Mr. Coates) has said makes eminent good sense from the point of view of this parliament getting at the facts. The right hon. member for Prince Albert (Mr. Diefenbaker) ought to be commended for having raised this matter. I have looked at the Standing Orders of the House of Commons and I see nothing that prohibits a member of this House moving a matter of privilege. I hope the general rule will apply, if there is no prohibition against moving anything in this House of Commons, that a member has the right to move something in this House of Commons.

The one technicality, and I underscore it, against the motion which will put this matter where it belongs, before a body of examination, not an ersatz court such as this, has turned out to be Standing Order 17 which reads:

Unless notice of motion has been given under Standing Order 42—

Mr. Speaker: Order, please. I interrupt the hon. member to make that clear. That is not the problem. The problem is much more serious than that. The motion proposed by the right hon. member for Prince Albert (Mr. Diefenbaker) is one which seeks to have referred to a committee of the House, for examination by that committee, the conduct of another member.

The practices of this House have been described very clearly in the past. When such a motion is offered, whether it is done on proper notice or not—and for the moment we can set that to one side because if it is not proper notice today, it can be done on proper notice tomorrow—the question still remains, fundamentally, when one member seeks to have a committee of the House examine the conduct of another member, that it requires some very rigid restrictions from a procedural point of view. They have been described in the precedent clearly set out by Mr. Speaker Michener when he occupied this chair. For the benefit of hon. members, that reference is to be found at page 582 of *Journals* of June 19, 1959.

In that ruling the Speaker of the day—and I think we can set this point aside for a moment—clearly sets out that no member is required to have his conduct examined by any committee of this House except upon a motion which has contained in it a substantive charge of misconduct on the part of the member. While the notice provision can be altered today, I can waive the notice or we can wait until tomorrow, I am still stuck with the precedent that any motion which seeks to require the examination of, not the member moving the motion but another member, must be made under very rigid procedural restrictions. They set out that such a motion must contain a specific charge.

Frequently in the past motions of this nature which say, "Resolved that the Standing Committee on Procedure and Organization examine into the conduct of another member," have been turned down unless they contain a charge of wrongdoing that is to be examined specifically by the committee. It is not a question of notice or of semantics. It is a question of substance. Traditionally, what we have gone through this afternoon is not just a wrinkle in our procedures. Traditionally, as we did with the four members recently who stood in their place under the umbrella of privilege, the courtesy has always been extended to a member who in these situations has been publicly accused, scorned or attacked, to make a personal statement in the House. That is not technically privilege. It

never has been, but it has always been a courtesy extended to members of the House.

The only additional thing that has happened here is that in the circumstances the minister has said, "I will open myself to questions if that is what the House wants." Obviously, that is what the House wanted, and now we have questions. I think we should keep our eye exactly on the way the procedure has unfolded. For the moment, I do no injustice to anyone, I am sure, to follow the very clear and precise Michener precedent and rule that in the circumstances the motion of the right hon. member for Prince Albert is not in order. That, I think, works no prejudice or injustice to anyone. It leaves us in the position we were in a few minutes ago when the hon. member for Oshawa-Whitby (Mr. Broadbent) was putting a question, to be followed by the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Baker (Grenville-Carleton): Mr. Speaker, I was not going to put a question. I did not realize there was a situation that required me to put a question. However, as a member of this House of Commons and as a person who is interested in the proper operation of the parliamentary system and the question of ministerial responsibility, I will have something to say about that. Surely this procedure, which I have described as an ersatz procedure, does not bar me from my right to make a statement on a matter which is so important that the Minister of Supply and Services (Mr. Goyer) decided to make the statement which he did. That is the position I am going to take, Mr. Speaker.

Mr. Speaker: In fact, that is exactly what the situation is. There really is no provision for a debate. There is no provision for statements by opposition members. At the moment, if the House withdraws its consent to go along with this arrangement of questions to the minister, I am prepared to close down the procedure. If members want to continue to question the minister, that is fine. If they do not, we are left in a situation where we are back to orders of the day and the rest of routine proceedings.

I should also add that I said yesterday that pursuant to Standing Order 26, the application by the hon. member for Oshawa-Whitby (Mr. Broadbent), I would order a debate. As soon as I can get to that, which I said I would do at three o'clock today, and which I would have done except for the raising of the question of privilege, I will have to set a time for the commencement of that debate which will give every hon. member of the House an opportunity to make a full statement within the time limits set out in the Standing Orders. That will commence later this day. If there are questions to be put now to the minister, I hope they will be brief and precise and that we can then get on and order the debate under Standing Order 26, which will allow the kind of statements that are sought.

Mr. Broadbent: Mr. Speaker, I have a question for the Minister of Supply and Services. I do not know if he has had time to have his office check the record with regard to the interview he gave to a reporter of the Vancouver *Sun*. If not, I hope he will do so. He will find it was a comprehensive interview given here in Ottawa on the subject of what is described as an RCMP cover-up.

My question pertains directly to the meeting he held with Mr. Higgitt on November 6, at which time, according to what has been said in the House both today and on Friday, the subject under discussion was the RCMP recommendation to the minister not to reply to a letter sent to him on inquiring whether the RCMP and other police forces were involved in the break-in of October 6, 1972. The minister obviously accepted that advice and did not reply to the letter asking about RCMP participation in a break-in.

How did the minister reach the conclusion not to send a reply without putting the question very explicitly to the RCMP: Were you, or were you not, involved? If he did not put that question to them, and he says he did not, why did he reach the decision not to reply to that serious letter when it is obvious that if the answer had been negative it would have been in his interest and that of the RCMP to have the whole matter clarified so that he could reply to such a group and say, "No, there was no RCMP participation"?

● (1630)

[*Translation*]

Mr. Goyer: Mr. Speaker, I am afraid I am going to repeat myself, but that seems to be necessary. First of all, it was not the commissioner himself. I said in my statement that the RCMP recommended that I do not answer the letter, without giving explanations, and it was following the reception of that memorandum sent to my executive assistant that on the first opportunity I raised the issue with the commissioner and the director general of the security service and asked them why they were recommending that the letter not be answered? I gave the reasons for that earlier, namely that the Minister of Justice had made a statement that he was responsible for that matter, that it came necessarily under his jurisdiction in the province of Quebec and second, there was an investigation under way by the Montreal police. So that was not the only issue we had to discuss. Once again, this case is being considered separately, but it was one among other matters we had to discuss, and those circumstances have to be taken into consideration. That is why at that time since there was an investigation under way I said I was satisfied.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, can the Minister of Supply and Services, who was Solicitor General at that time, say to this House whether or not the commissioner of the RCMP told him that one of his men was supposed to carry out a search without warrant in any place for one reason or another?

Mr. Goyer: No, Mr. Speaker.

Mr. Beaudoin: Mr. Speaker, I would like to ask the following supplementary. We know that the minister was not informed. Whom did he have conversations with from the RCMP around November 7? Could we have his name? If so,

did he say whether one of his men had made a search without warrant?

Mr. Goyer: Mr. Speaker, it was a meeting with the commissioner of the RCMP and the director general of the security service, and my answer is "no".

[*English*]

Mr. Oberle: Mr. Speaker, I, too, have a question for the minister. Throughout his contribution to the discussion of this question of privilege, and throughout the statement on Friday by the Solicitor General, this situation has been referred to as an isolated incident. However, the House knows that I, myself, along with the hon. member for Central Nova have drawn attention to a number of similar situations.

I am asking the minister whether he is claiming the same innocent ignorance in relation to the break-in at Praxis Corporation, since following that incident the minister, under his own signature, sent out a letter which contained some of the information found in the stolen material. Also, in that case the minister was bound to know the material was stolen since the incident was widely reported in the media at the time. This would make the hon. gentleman at least suspect of taking part in a conspiracy to repress the truth.

Some hon. Members: Oh, oh!

Mr. Oberle: Can the minister relate to that situation?

[*Translation*]

Mr. Goyer: Mr. Speaker, first I do not think it has been demonstrated that the RCMP made an illegal break-in in the Praxis case and, second, the whole Praxis case happened when I was not Solicitor General of Canada. Having said that, Mr. Speaker, I do not think that the object matter of the question refers to my responsibilities as Solicitor General but only on that part of my responsibilities concerning the APLQ case.

[*English*]

Mr. Oberle: With all respect, it has not been proven that the RCMP had no part in that break-in. However, it has been proven that there was a break-in, and it has been proven that the former solicitor general sent out a letter over his signature accusing 21 innocent Canadians of conspiring to overthrow the government and replace it with a radical alternative. The minister must have known, when he sent that letter, that the evidence upon which it was based was stolen evidence. Did he ask the people who had provided that information where they obtained that evidence? Did he order an investigation as to who the thieves were, regardless of what we know today? What was the nature of his discussions with those persons who gave him the evidence on the basis of which he signed and sent around a letter to the various departments and agencies of government?

[*Translation*]

Mr. Goyer: Mr. Speaker, first, the hon. member tells us a nice story which might satisfy him but which is not consistent with the facts and, second, I do not think that we are now dealing with that matter is the House.

[Mr. Beaudoin.]

[*English*]

Mr. Speaker: Order, please. I am prepared to allow the hon. member for Prince George-Peace River to ask a further question. Then I think the hon. member for Central Nova should conclude the questioning. After that we should get on with other business.

Mr. Oberle: I must ask the minister this: Is he telling the House that he did not write the letter of June 15, 1971, and that he was not solicitor general at the time of the break-in at Praxis? That is what he has just said. I am suggesting he makes himself suspect to taking part in a conspiracy to obstruct justice and repress the truth.

Mr. MacKay: Mr. Speaker, I have two points to make briefly, and a couple of questions to ask. I think we should remember that the most serious difficulties concerning this matter were raised, not just by opposition parties in this House but by a former commissioner of the RCMP and a former director of police security services. I would also submit that there is a distinct difference between fault and responsibility. The minister's exculpatory statement would have gone down much better in this chamber if he had been prepared to say, in effect, "It was not entirely my fault, but I accept some responsibility for it". That is exactly what any lawyer would do for a law clerk before a colleague. I should like to ask the minister whether it was the usual practice for the RCMP to recommend to him that he not answer letters. Was this something which was done regularly; or was this a particular occasion?

[*Translation*]

Mr. Goyer: Mr. Speaker, the hon. member can say all the nonsense he wants on the matter of ministerial responsibilities, I do not care. I am ready to assume my responsibilities each time I am involved in a decision. However I cannot take any responsibility for something I do not know. Ministerial responsibility as the responsibilities of lawyer are as simple as that. Maybe the hon. member did not learn this in law school. Now I shall answer his question. Mr. Speaker, I do not remember if the RCMP told me not to answer a letter, but as I said, it should be checked. I remember very well that some people asked to meet me and after discussing the matter with the RCMP I met none of its members for obvious reasons that I do not have to explain but I think I acted in a responsible way.

[*English*]

Mr. MacKay: I thank the minister for his answer and would remind him that whatever his contentions, he was at the time the man responsible for seeing that the federal police force of this country did not break the law. This did not happen, and he will not take any responsibility; that is obvious. I ask the minister this: Has he ever investigated any complaints made against the force over which he had responsibility? Is he telling us he has never done anything personally to verify any complaints made against the force?

[*Translation*]

Mr. Goyer: Mr. Speaker, I never had any other body than the Royal Canadian Mounted Police to check into complaints about its members. I have always relied upon and trusted the RCMP. I indicated in my statement that this was not an ideal system, that I had suggested myself to the Prime Minister that a commission of inquiry should be set up, first, on the issue of discipline within the Royal Canadian Mounted Police, because that was and still is in my view a major issue, and second, on how to channel and investigate complaints against the force as the federal police force. The Prime Minister later acted on that suggestion when my predecessor the Hon. Warren Allmand became Solicitor General.

● (1640)

[*English*]

Mr. MacKay: A final supplementary question, Mr. Speaker. When the minister's successors were coming under question as a result of this matter, did he at any time, either then or before, brief his successor, the present Minister of Indian Affairs and Northern Development, or indeed the present incumbent, and tell them fully what was going on? Did he, also, recently take the opportunity to meet with former commissioner Higgitt and police director Starnes in order to check the validity of their two impressions, as opposed to his non-recollection, that possibly there was some reason for believing that he had been briefed? How much effort did the minister make to verify his contention that he could never have been briefed, despite the fact that these two eminent gentlemen said they would be surprised if he had not been?

[*Translation*]

Mr. Goyer: Mr. Speaker, although a lawyer the hon. member is being quite naïve. I shall draw a parallel. When some member leaves his office, he necessarily hands over his files. If he were to give a briefing on every case he is leaving behind, this would become an unending communication. When a minister leaves his portfolio, he must necessarily rely on his departmental officials to keep his successor informed on the files still pending. That is normal. Of course, I discussed with my successor matters of a general nature involving the orientation of the department. But there was no question that I discussed individual cases, and this includes the one referred to by the hon. member.

Indeed, I met the former RCMP Commissioner, I met the former Director General of Security Services and the current Commissioner of the RCMP, the future Commissioner of the RCMP, the current Director General of Security Services, the assistant Solicitor General and the Solicitor General. This was less than a month ago, and, of course, there was an exchange of views on this whole issue. I understand the statement made June 17 last by the Solicitor General of Canada resulted, in part at least, from that meeting.

[*English*]

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Mr. MacEachen: Mr. Speaker, on a point of order, I should like, for the convenience of the House, to designate tomorrow, June 22, as an allotted day and to request the House, notwithstanding the provisions of Standing Order 58(5), to agree that June 22 shall be the final allotted day for the business of supply for the period ending June 30, 1977.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that is agreeable to us and in accordance with some discussions that my colleague and I have had. Mr. Speaker, while I am on my feet, may I make an observation with respect to the procedure today, though not in any way to question the Chair. We have had a very interesting two days regarding the right of members to question. Yesterday the Chair ruled that under no circumstances could a minister be questioned as to his responsibilities in a former position. Today, in answer to a statement made by the Minister of Supply and Services who indicated that he would be willing to be questioned, the minister was questioned *in extenso* with respect to his former duties as a minister of the Crown.

I reread Your Honour's statement of yesterday and I must say that your statement was extremely strong. I would hope that the activities which have occurred today have broken new ground in the House of Commons and that we will now be able to question ministers of the Crown during the course of the regular question period with respect to their former capacities, at least while they are ministers, and perhaps beyond. We would have to explore that. But I would hope we have broken new ground, because there does seem to be some conflict between the two points of view.

Mr. MacEachen: Mr. Speaker, I believe the hon. member for Grenville-Carleton has raised an important point. He may recall that yesterday when the point of order was debated I recognized the difficulty which the opposition had, under the rules, to question the Minister of Supply and Services. I said that I hoped a way could be found to overcome this rule which, despite what happened today, is still in effect. It was because of the desire to accommodate the House that the Minister of Supply and Services, when he began his statement on privilege, said that he was ready, if the House wished, and with the consent of the House, to open himself to questions and to give members an opportunity to question him.

Despite what has been said by the hon. member for Grenville-Carleton, I do not believe that the ruling made yesterday has in any way been affected by an arrangement that was entered into, first of all by the consent of the minister and of all hon. members.

Mr. Speaker: Order, please. I suppose it provides fascinating consideration, but I did guard that ground, I thought, today when during the question period, in response to the question put by the hon. member for Oshawa-Whitby, the minister indicated that he would make a statement. I believe I said then

that if the minister was prepared to come before the House and make the statement, and intended to permit questions, if that was with the unanimous consent of the House it could be done. But I do not think that in any way altered the basic requirement respecting ministerial responsibility in our question period. However, I am sure that the next time one of these situations arises there will be an argument, and the incumbent of the chair, who I hope will be a successor, will perhaps be able to resolve the problem with a little more lucidity than has been the case over the last couple of days.

Also, in attempting to sort out proceedings for the rest of the day I should indicate now that there is a statement on motions to be made by the Secretary of State. We have not yet launched into routine proceedings. We are facing a statutory order, and when we do get to orders of the day we are compelled to continue until at least ten o'clock the debate on the anti-inflation program.

I indicated to the House that I would announce the time for commencement of the debate under Standing Order 26. I will return to the House after some deliberation on that point, but my intention would be to order that if the debate on the anti-inflation board goes until ten o'clock, the debate under Standing Order 26 will begin at ten o'clock. If, however, there is some disposition during the next hour or so to attempt to resolve the matter in some other way, if members come to some agreement on the possibility of starting the debate under Standing Order 26 earlier, then that is one suggestion that could be made. I will return to the chair perhaps at about five minutes to six to make a definitive announcement. If, in the meantime, there are any discussions which might produce some understanding about starting the debate at eight or nine o'clock, I can hear them in the interim and make some decision at six o'clock.

Mr. Broadbent: Mr. Speaker, on the point of order, if I understood your last observation correctly, you would be willing to listen to some discussion about how we may best proceed procedurally. I should like to indicate, on behalf of our party, our willingness to work out an arrangement, by unanimous consent, since the topic is of such importance, not to have a debate commencing at ten o'clock at night but, if agreeable to the official opposition, for example, to consider this particular topic as their topic, in which case we would be quite happy to abandon the motion which happens to be in my name and to put it in the name of a member of the official opposition. We could then have a full discussion on the topic tomorrow and obviate the need for a late night debate today.

Mr. Baker (Grenville-Carleton): Mr. Speaker, these are matters that could be looked into.

Mr. MacEachen: Mr. Speaker, is it understood that my proposal respecting an allotted day tomorrow is that it be the final allotted day? I know that agreement was indicated by the hon. member for Grenville-Carleton, but I should like it made clear that it has been accepted and ordered by the House.

[Mr. Speaker.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, that was agreed to this morning, and we stand by it.

Mr. Speaker: Then that is agreed and so ordered.

● (1650)

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

Eleventh and twelfth reports of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cafik.

Third report of Standing Committee on Management and Members' Services—Mr. Coates.

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

* * *

OFFICIAL LANGUAGES

TABLING OF DOCUMENTS RESPECTING POLICY ON OFFICIAL LANGUAGES

Hon. John Roberts (Secretary of State): Mr. Speaker, I should like to table, in both official languages, the documents entitled "A National Understanding: The Official Languages of Canada" and "Un choix national: Les langues officielles au Canada."

He said: Mr. Speaker, I wish to make a statement concerning a document that is being made public today setting forth the government's views about language policy for Canada. The document draws from a review of government experience to date with the official languages policy. As the background of the review is already known to members of this House, I will limit my remarks to mentioning some of the results of the review to which the government attaches importance.

The emphasis of language policy thus far has been on recognition of the equality of status of English and French as the official languages of Canada, both as approved by all parties in parliament, and as used in all the institutions of parliament and the government of Canada. The most important result of our review, as the statement tabled today makes clear, is the conclusion that the federal government cannot by itself ensure that the policy succeeds. The policy must also have the fullest support of the provincial governments.

What the government is saying in this statement is that recognition of the equality of English and French as the official languages of Canada must extend from the federal to the provincial level of government if this country is going to continue to exist as a single and unified country.

[*Translation*]

To say this will be interpreted by some as trying to tell the provincial governments what to do. But what is really being said is simply that this is one of the major facts evident in our experience with the policy thus far. One of the principles the government advocates, again as the statement makes clear, is that Canadians have a right to have their children educated in the official language of their choice, and the necessary facilities should be provided wherever numbers warrant. In other words, the federal government has concluded from its review of language policy experience thus far that Canadians must have freedom of choice to have their children educated in either of the official languages anywhere in this country, in future, if this country is to survive as a unified Canada.

But the statement also recognizes that there is only one province in Canada at this moment in our history where that freedom of choice can be fully exercised, and that is the province of Quebec. The government is saying in this policy statement that the freedom of choice that the education system of Quebec has always provided, as far as education in either official language is concerned, must now be extended across the other provinces. Our statement recognizes that this cannot be achieved over night, and this is why this principle has the qualifying phrase that the implementation of the principle is subject to circumstances which may make a deferment of application necessary. Bill No. 1, now under debate in Quebec, is a reflection of a twofold apprehension: apprehension about the future security of the French language and culture of Quebec, and apprehension also about the way the rest of Canada will, in future, be prepared to treat the French language.

There would be little ground for the extreme concern over the French culture and linguistic base in Quebec if there was confidence that French would, in fact and not just in law or formal statement, be treated with equality as a language and with respect as both language and culture throughout this country.

The federal government is convinced that this confidence is a vital factor in preserving the unity of Canada. The principle that Canadians have a right to have their children educated in the official language of their choice also recognizes that the people of Quebec might decide that circumstances there could require a determination that full freedom of choice should be deferred until present elements of insecurity for the French language and culture are removed or reduced.

[*English*]

In view of the considerable insecurity at the moment in Quebec concerning the preservation of French in that province, it is the responsibility of Canadians from all provinces to make the status of the French language more secure in Canada. But as long as the present insecurity persists, the government agrees that the deferment of this principle may be necessary. In the same manner, it is to be hoped that other provinces will strive toward the application of this principle. But practical circumstances of a financial nature, for instance, may sometimes force a deferment of application. In other words, this principle is an objective toward which we should strive.

May I emphasize that this statement on language policy is not intended in any way to be a substitute for discussion of constitutional issues which provincial governments may wish to raise and which the federal government recognizes remain important in relation to all of our problems.

As the statement tabled today points out, the government has never thought of the official languages policy as a cure-all for every problem of national unity. The government recognizes that we have serious economic problems. We must continue to resist inflation. We must improve the employment situation. The feeling of alienation in western Canada, problems of regional disparities, the need to find new sources of energy, to improve our transportation systems—all of these, and many other problems, must also be dealt with. But underlying and overshadowing all of these problems are the continuing problems of national unity, and at the heart of the national unity problem is the problem of languages and the need for the wider application of all that equality of our official languages implies.

As the languages statement points out, the rights provided by the official languages policy are not of benefit to Canadians of British and French origin alone. The acceptance and enjoyment of diversity that is encouraged by the policy is gradually spreading to more and more Canadians. This is steadily improving the climate of understanding in which Canadians of other cultural backgrounds can enjoy their own cultural heritage. The statement goes to some lengths to point out that there is a very important difference between the state's involvement in languages policy and the state's involvement, or attempt to be involved, in cultural policy.

This government believes that attempts to mould people who speak the same language into a homogeneous cultural pattern endanger their very freedom. Canada has two official languages, but is has no official culture, and government efforts to advance the cultural life of English and French speaking Canadians are intended only to promote the cultures of Canadians as individuals, not any culture of the state. The official languages policy, as the statement makes very plain, is intended to be the basis for an everwidening personal freedom in a society that cares profoundly for protection and strengthening of distinctive minority groups that determine the richly varied character of this country. The statement tabled today does not deal with possible changes in the application of the languages policy within the federal public service, as I indicated last week. This will be dealt with in a later statement.

I recommend that all members of this House read the statement with care. May I also emphasize that all references to provincial responsibilities in the statement are intended as statements of belief derived from our experience with the policy to date and its potential for helping to solve some of our current unity problems. These references constitute a plea to the provinces for understanding and support of the official languages policy to a greater extent than ever before.

I would also urge that leaders of business and labour and other community leaders and, indeed, all interested Canadians, read and study this statement so that they all may make a contribution to the solution of our national unity problems, which I personally prefer still to look upon not as problems but as challenges to go on using this policy to widen the dimension of diversity in Canadian democracy which it advocates.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Shefford (Mr. Rondeau)—National Defence—Alleged use of Gander airport to transport Cuban troops to Angola; the hon. member for Simcoe North (Mr. Rynard)—Health—Preservation of confidentiality of doctor-patient relationship—Government action; the hon. member for Victoria (Mr. McKinnon)—Social Security—Negotiations for reciprocal agreements with other countries—Date agreements effective.

● (1700)

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

TABLING OF DOCUMENTS RESPECTING POLICY ON OFFICIAL LANGUAGES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, we are pleased to see tabled today the document entitled "A National Understanding" which spells out some of the basic principles and objectives of the national languages policy followed by the Government of Canada. I would say that not only do we welcome the document but we find it an unusually well written document, and I want to extend that compliment to its authors.

Some hon. Members: Hear, hear!

Mr. Clark: One of the major problems which we find with this document is that in effect it is ten years late. This is the kind of statement of principle, statement of directions, that we should have had when the whole program of official languages began in this country. Unfortunately, because of the absence of such a statement of direction at the beginning, we have had, on the language policy of this country, a decade of national misunderstanding regarding the goals of the government and the application of the national languages policy. I want to make clear that that was not the fault of parliament, and not the fault of members of parliament, because all the parties in the House approved the Official Languages Act when it came in.

The fault lies inescapably with the way in which this government has interpreted and implemented the mandate given it under the Official Languages Act by the House of Commons. That has caused particular concern in the Public Service of Canada. Those are concerns which the Secretary of State (Mr. Roberts) said he will be addressing later on, and I say to him that we look forward not only to hearing that statement of policy and statement of direction, but we also look forward to substantial reforms being made in the way that the Official Languages Act applies to the public service of the country.

One fundamental weakness that exists in this document—it is a weakness that I think the Secretary of State anticipated when he indicated that as regards the provinces this should be seen only as a statement of belief by the government—is that despite the heavy and direct interest of the provinces in the subject matter of this statement and of this document, there has been no evidence of any consultation with any of the provincial governments of Canada. In fact, if the information available to us is correct, copies of this paper were delivered to the premiers of the various provinces only within the last few days by federal officials who were following not any particular agenda of the government or of the provinces, but who simply dropped in where Air Canada schedules happened to allow them to drop in, and dropped in the laps of the provincial premiers what was, in effect, a *fait accompli*, and then moved on to some other capital.

It has been a striking fact that since the election of November 15 in the province of Quebec which reawakened the concern in the country about the question of national unity and renewed the concern in the country about our ability to co-operate together, the Prime Minister of Canada (Mr. Trudeau) has not once called together the premiers of the ten provinces, his principal partners in confederation, to discuss with them and to take them into his confidence as to the directions in which he wants this country to move so that we might better achieve national unity. Clearly, he should have done that. There should have been consultation with the premiers on this document before it came to them as a *fait accompli*. There should have been consultation with the premiers, and in fact with the parliament of this country, on the question of national unity well before this time.

Instead of coming to parliament—that is being done later this month as a result of pressure brought by this party and others—instead of going to the premiers, and instead of going to the people and seeking solutions on some of the problems that face us, the Prime Minister has been relying, on the whole, broad question of national unity, on establishing little bureaucracies tucked away here in Ottawa and on writing a new national languages policy and sending it out as a *fait accompli* to the provinces.

That is not simple discourtesy, because I think it is clear that had there been broader consultation in the preparation of this document or the preparation of plans to bring Canadians together again, the Prime Minister and the government which he dominates, on this question would have moved beyond the dangerously simple faith that is expressed in the words of the Secretary of State that "at the heart of the national unity problem is the problem of languages". I note that both in the statement of the Secretary of State and in the preface by the Prime Minister there was reference to the effect that the official languages policy is not, and never was intended to be, a cure-all for the problems of national unity. I think we have to regard that as a ritual disclaimer. The fact remains that in the interpretation of the Prime Minister of this country the central instrument of national unity is the national languages policy, and the central problems relate exclusively to questions relating to language. That is made clear most markedly in paragraph—

[*Translation*]

—it was read in French by the minister, but I do not have the French copy in hand. The English version was as follows, and I quote:

[*English*]

There would be little ground for the extreme concern over the French culture and linguistic base in Quebec if there was confidence that French would, in fact and not just in law or formal statement, be treated with equality as a language and with respect as both language and culture throughout this country.

That expresses the Prime Minister's and the government's understanding of the problems in the province of Quebec, and that is the simple premise of this policy. I think, to say the least, it is a highly questionable premise as to whether that kind of confidence will alone diminish the extreme concern regarding the French culture and the Quebecois culture in the province of Quebec.

The document sets forth some very interesting principles. Some of them are not particularly challenging. The first is that every citizen in his or her private capacity has the right to speak any language. That is a relief to all of us and, I think, a self-evident principle. But one of the proposed principles troubles me very much and troubles my colleagues on this side of the House. That is the proposed principle that reads, and it is very carefully phrased, by the way:

Subject to circumstances which may make a deferment of application necessary, Canadians have a right to have their children educated in the official language of their choice, and the necessary facilities should be provided wherever numbers warrant.

Speaking personally, I want my child to be educated in the official language of her choice, and I would imagine that most members of the House, and indeed most people in the country, would want their children educated in the official language of their choice. But that is a desire. This draft principle would make it a right, and since education is in the jurisdiction of the provinces, this draft principle would have parliament declaring a right which we have no authority to guarantee. It would amount, despite the denials of the Secretary of State, to parliament telling the provinces what to do. It may be that the provinces might choose to declare this principle as a right—I emphasize this—which they and they alone have the power now to do. If they accept the concept, the constitution of Canada might be changed. But let us understand that parliament cannot guarantee the proposed right, to use the language of the minister, without amending the constitution.

That being the case, the unilateral declaration of a right we cannot enforce could inflame conflict among the provinces from whom we should be seeking co-operation. For parliament unilaterally to declare this right without consultation with or approval of the provinces, and then to expect the provinces to enforce what they did not agree to, could at the very least invite the interpretation that change was being shoved down the throats of the provinces of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: I need not remind members of the House that one of the major problems with the acceptance and application of the Official Languages Act in Canada was the sense that it had been shoved down people's throats, and I say to the government that if they are serious about this change, they will not make that mistake again. There is one final matter which is relevant to this whole question to which I would like to refer in concluding my remarks. It is a matter which falls very directly within the responsibilities of this government; that is the question of a successor to the retiring Commissioner of Official Languages. It is now almost five months since Mr. Keith Spicer submitted his resignation to the Prime Minister and requested an early appointment of his successor in order to provide for a reasonable period of transition, yet there has been to our knowledge absolutely no sign of any action by the government on this appointment. It is an appointment which all hon. members know requires the concurrence of this House.

● (1710)

I think hon. members on both sides of the House still retain the hope that we are going to rise for the summer recess within two or three weeks. It would be unfair to Mr. Spicer, who has other obligations, and a setback in the cause of language equity if we were to rise for the summer without having placed before us a recommendation by the Prime Minister for a new commissioner of official languages. That is a matter of positive action within federal jurisdiction which can contribute to national unity, and I urge the Secretary of State to counsel his Prime Minister to act with some sense of responsibility and urgency on this matter which falls clearly within the domain of this government. This government should not restrict itself to giving advice to the provinces as to actions they should take in areas that lie simply within their jurisdiction.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, we welcome most of the substance of what the minister said today concerning the government's language rights paper and most of the details that I discovered in that paper after looking through it rather quickly. In particular, I want to emphasize three points of agreement. The first is the explanation offered to English-speaking Canadians of the reasons French-speaking Canada has felt threatened by assimilation throughout our

history, as it indeed it still does. I think in the main the explanation is sound, cogent and acceptable to anyone with an impartial mind.

The second point of agreement is the reiteration of the importance of protecting minority language rights both in English Canada and in French Canada and the explanation of how the federal government's policy of bilingualism, in principle at least, is intended to protect those rights. We agree in principle. As has been made clear on this side of the House very often, we criticize the application of the principle, but it has been a matter of detail and not one of intent.

The third point I want to make is that we appreciate what I see as the new stress on the need for action in areas outside federal jurisdiction and within the purview of the provinces, such as the language used in our courts and in the legislatures where it is important to extend recognition and protection to minority rights. I think that is a new emphasis and one which is indeed very important to the country.

[*Translation*]

Our main criticism against this paper is that the government should have moved in that direction ten years ago. They have done very little to explain the importance of bilingualism to the Canadian people since the Official Languages Act was implemented. After the failure of the Victoria conference, the federal government no longer took an interest in the rights of minorities outside federal institutions.

[*English*]

What concerns me very much about the minister's statement today and the document itself is the "wait and see" attitude which runs through them. I repeat that this is a serious concern. The government, it is indicated, is willing to do this or willing to consider that, but the document, unless I misssed something on first reading it, is completely lacking in a firm commitment to do anything. Apart from some overdue housecleaning measures related to the federal bilingualism program, we have very little indication—in fact, virtually none at all—of a firm course of action in the future. The government is willing to support, for example, funding for education of minority language groups where the numbers might otherwise not justify such facilities in the provinces. The government is willing to support language training costs for provincial civil servants. But where is there an indication that the government is committed—not simply willing to consider something, or willing to co-operate—to going out to the provinces and saying that it has "X" number of dollars for a certain purpose which ought to be spent in "Y" area?

The federal government should be asking the provinces what they think. We would welcome that initiative. We say that in terms of the old motion of co-operative federalism, the federal government should not be hesitating to go to the provinces of Canada, regardless of their governments—and there have been New Democratic governments as well as Liberal and Conservative governments—and telling them that up to the present time they have not done everything they should have been doing within their jurisdiction in dealing with majority and minority language rights. I think it is time we got explicit about it. It is time for the federal government, particularly, to get explicit about it. It is time it went to the provinces suggesting courses of action. It is time the federal government was willing to provide financial assistance, and not simply in principle. It is time the federal government set aside money to be spent in particular provinces if they co-operate in this area. That is my most serious concern about what the minister said today.

We have an indication of some good intentions. There is an indication of recognition of a failure to protect linguistic rights, particularly for minorities, depending on which province we are talking about. However, we did not get what I was hoping we would, and that is a very explicit commitment to act and a very explicit recognition that in a federal state like Canada, with many cultures but two principal official languages, what is required is national leadership. National leadership does not mean simple imposition of detailed programs worked out here in Ottawa. It does require that the Prime Minister or the Secretary of State go to the provinces on issues of national concern suggesting that action should be taken not only at the federal level but also at the provincial level. The Prime Minister and the minister should welcome provincial co-operation in spending in this area, and the federal government should be making specific dollar allocations. I am disappointed that we do not have an indication of greater initiative coming directly from the federal government in this respect.

As important as this issue is, I do not believe that majority and minority language rights are central to the issue of national unity at this time. I think we are kidding ourselves if that is still a central belief, and I say with serious concern to the government of the day and indirectly—because he is not here, for very good reasons, I am sure—to the Prime Minister that if they believed that in 1968, in 1972 and in 1974, I hope they have got over the illusion. The language rights issue is important for its own sake, and all of us who want to show political leadership, and all of our political parties—and I use "leadership" in the broadest sense, meaning every member of parliament showing leadership in his community—must stand 100 per cent behind the principles of the Official Languages Act and behind the thrust of this document.

I believe in the document that much, but I want to stress that if it is seen as a cure for the separatist forces in Quebec, as I read the studies which have been done—and I do not want to appear arrogant and all-knowledgeable as an outsider—and as I speak to my friends and my political opponents in the province of Quebec, the language issue, as a concern now for Quebeckers in dealing with the independence movement, is not an issue. It is important for Francophone Canadians outside Quebec that we do everything we can on that issue. But, Mr. Speaker, we delude ourselves seriously if we think that the thrust indicated in this paper, as desirable and important as it is, will be significant in the national unity debate that has to be fought and won in the province of Quebec.

● (1720)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have listened to the statement made this afternoon by the minister when he tabled his paper on the official languages of Canada. I can assure you that while listening to him, hundreds of questions occurred to me. As French Canadians, whenever we hear this kind of statement made by an English-speaking minister, we should like to go back to 1867, because that is when statements should have been made. Therefore, we are 110 years late.

The minister said, and I quote:

> What the government is saying in this statement is that recognition of the equality of English and French as the official languages of Canada must extend from the federal to the provincial level of government if this country is going to continue to exist as a single and unified country.

As previous speakers said, one wonders whether before preparing this paper the minister or his officials consulted those directly concerned or really responsible, the representatives of every province of Canada.

Mr. Speaker, this government completely disregards the basis of Confederation, namely the respect for the provinces' authority. I feel this is a further terrible encroachment upon provincial jurisdiction without even asking for permission, and we have become used to it because ever since I came to this House, I have seen the government interfere by all possible means in areas under provincial jurisdiction without asking their permission.

I am in favour of the official languages, in particular when the minister says:

> One of the principles the government advocates, again as the statement makes clear, is that Canadians have a right to have their children educated in the official language of their choice . . .

I believe, and indeed the minister states that we have nothing to reproach Quebec with in this instance. But shall we be able to convince, Mr. Minister, the nine English provinces to implement what has just been stated? They have been rejecting the teaching of French and forcing French Canadians to learn English for 110 years. That is the point and let us be realistic. We must stop deceiving ourselves. We must stop making fine speeches and trying to make Quebec believe certain things while patting it on the back. We have been telling Quebec for 110 years: The time will come. Because of what happened on November 15, some people are now afraid. I am also afraid, and I do not say this lightly, but because I ask myself the following question: Shall we finally be able to convince the nine other provinces to do their share? And now I would like to make the following invitation. We are all Canadians, and it therefore seems to me that we should put aside all our old theories and assert that we want a united Canada and that we must work together. We have been waiting for this for 110 years. In the early days of Confederation, French was taught in all the English provinces. It was French Canadians who opened up the western provinces. When the governments of the English provinces simply abolished the right to teach French, the federal government did nothing. Let us be realistic my Anglophone friends! You did nothing to protect our minorities in your English provinces. Let us be honest! I would not want either to treat the Anglophones of my province like you treated Francophones in your provinces. I do not want that. It is essential to co-operate at this time. We are sensible people. It is essential to get together and put an end to our old ideologies and stop saying as some still do today, and as I have heard myself in British Columbia: Speak white! I will never tell an English-speaking Quebecer: Speak French! When he is in Quebec, he is entitled to speak either French or English; he is entitled to go to an English school or a French school. Have no fear, he is happy.

Some people are anxious today and they say: Let us not speak about the future, let us not speak of what happened for 110 years. We do not know what the future will be. I hope progress will continue in Quebec. But I hope also that western provinces will wake up once for all. That is where we find the secret for Canadian unity on the language issue. There is an economic issue but the great issue is language. We should never forget that. We will not have Canadian unity as long as we reject our minorities outside Quebec. It is clear. And I say so as a French Canadian. That is the question. Canadian unity would be impossible if we do not change our minds, if we do not try to do what Quebec did for 110 years, and certainly that is what we have to do. I should think the lesson has been long enough. We took time to learn, 110 years! You must not think I am malicious. I said that because I would like people to think as we do, to recognize the minorities' rights in other provinces, as I always pleaded for the minority's rights in Quebec.

I have good English-speaking friends in Quebec whom I respect as I have in all the other provinces, and I know that if, in each province—and I am talking about the nine other provinces—the members of parliament go out and start convincing the provincial governments to come to their senses and become more humanitarian and actually feel what Canadian unity means, it is then that we will have really started working towards unity. You will see then that we can respect each other. I bear no hard feelings toward English-speaking Canadians nor toward any other ethnic group, but I think that they have been educated in a certain pattern and we have been raised in a different one.

To be more practical, I would like the members of this House to agree on something once and for all: That from now on, as members of this House, we will defend the rights of the minorities and that we recognize that there are two founding people in Canada and that there are two official languages. This has just been reiterated, and I would ask all members, if they want to be honest, if they want to be sincere, if they love their country and if they care for its unity to make this understood by the other governments. And I tell you that if we do not succeed, then I will question the meaning of Canadian unity to which I aspire so wholeheartedly.

That is the appeal which I wanted to make this afternoon. If I have the opportunity of dealing once again with this issue, I will talk about the subject of economic agreements. I recently read a study on all the federal-provincial conferences that have

been held since 1867, and all that ever was debated in those meetings boils down to money, and the question to know who would tax whom and who would tax the most? This type of situation has prevailed for the past 110 years. We are going to have to come back to sense, at the grass-roots of our Confederation, and let the provinces have what belongs to them and let the federal government administer in those areas in which it should exercise its authority. When this is done, then, we will start living in a true Confederation.

● (1730)

[*English*]

Mr. Clark: Mr. Speaker, I have a couple of questions to ask the Secretary of State (Mr. Roberts). There is one reference in his statement, and I am reading from page 2 of the English language copy, in which the government agrees to something. That is so rare in this House that I want to know precisely to what it is agreeing. The sentence to which I refer on page 2 reads:

> But as long as the present insecurity persists, the government agrees that the deferment of this principle may be necessary.

I am not clear, from the language of this draft, precisely where the government thinks the deferment of that principle may be necessary. Could the Secretary of State elaborate? Is he talking about the deferment of the application of that principle in the province of Quebec, or about the deferment of the application of that principle in other provinces?

Mr. Roberts: Mr. Speaker, I welcome the question. I was a bit surprised—and I say this kindly and not contentiously because I am anxious for all parties in the House, to the degree they can, to accept the document—I was a bit surprised at the hon. member's assertion that this should have been done ten years ago and, at the same time, at the indication that he was unhappy, that he doubted or was uncertain about the essential proposition the paper puts forward, which is this: it is essential for the provinces to accept certain responsibilities which fall within provincial jurisdiction and to concentrate particularly on education, that is to say, the provinces should step forward solidly and accept the burden which we think the facts have shown it is essential for them to shoulder, that of accepting the official languages policy in the areas of their jurisdiction.

If I understood the Leader of the Opposition (Mr. Clark) correctly, he regards this as an invasion of provincial jurisdiction. Let me make it clear that the government does not consider this document in that light. It considers it, rather, as an invitation to assist in this effort, an invitation to which we will respond if the provinces bring forward proposals as to how they might better do this.

That same point refers to the question of consultation, which the hon. member raised. The paper was not delivered to provincial governments en passant, by a civil servant who happened to be passing through via Air Canada. I, as Secretary of State, made a special effort to see as many provincial governments as I could to discuss with them the contents of the paper. I do not wish to indicate that they were consulted as to its final form, but there was discussion with them.

I point out to the Leader of the Opposition, as I indicated in the House and in the committee of the House, that there has been consultation with the provincial governments in the whole area of education. They date back at least to last January, when I presented the initial propositions on behalf of the government to the council of ministers of education. Those propositions have been discussed with the provincial governments, and I understand that the provincial governments are preparing a response to them, which I expect will be presented to us some time in September. There have been continuing conversations in that area which most concerns the hon. member, if I may judge from his remarks made today. I am not using his words; the hon. member seemed to be concerned about a possible invasion of provincial jurisdiction. On the contrary, we hope, firmly and strongly, that the provinces will welcome this initiative and will see too, as we now do, the necessity of shouldering these burdens in their jurisdiction.

I am tempted to say that the hon. member for Oshawa-Whitby (Mr. Broadbent) regarded the problem somewhat differently. He was asking for greater intervention in the provincial area, while the Leader of the Opposition feared we would interve in that area. I point out to both hon. members that we are involved in this area substantially now, and when the hon. member for Oshawa-Whitby complains that so little has been done, the fact is that in this decade alone, that is to say since 1970, over $650 million of federal funds has been directed to these purposes. Virtually two thirds of a billion dollars of federal funds have been directed to these purposes in the area of education.

Mr. Fairweather: This is all very nice, but you are not answering the question.

Mr. Deputy Speaker: Order, please. I suggest the hon. member is quite right. The minister should try to answer the question. I do not want to preclude him from giving an answer, but I would not want him to make another statement. If hon. members agree, I think we should end this question period at about ten to six. We should end routine proceedings before six o'clock, after which we can proceed with the adjournment debate. Perhaps the minister will answer the question quickly, after which I shall recognize four or five other hon. members.

Mr. Roberts: I apologize, Mr. Speaker. I was carried away. let me answer the question the hon. member asked. The explicit answer is this: the principle of free choice, both outside the province of Quebec and within the province of Quebec, we accept. It may not be possible to implement it outside Quebec because of lack of facilities, financial constraints, and so on.

As for applying the principle within the province of Quebec, let me say that we understand and sympathize with the public's perception of the insecurity of the French language and French culture. We understand therefore that in that context it may be regrettably necessary not to persist now with the immediate implementation of that principle of free choice

for the education of one's children in either official language. We have described that hoice as an essential principle which we hope will be adopted, if not in the immediate future, over the longer term in the Canadian context.

Mr. Clark: Mr. Speaker, that makes the situation much clearer. My concern is this, and I hope it is clear, that there seems to be an attempt in this document to declare a right for the federal parliament to declare a right which only the provinces can bring into force. That would cause me, and I think the premiers, great concern. May I, while on that point, ask the minister to assure us that no attempt will be made by the Government of Canada to act in a way which would assume that that right exists, unless the provinces agree.

Mr. Roberts: No, Mr. Speaker. We are asking the provinces themselves to accept that right. However, on page 70 of the document we raise this question: if events crystallize and provinces do not wish to assume that burden, would it be desirable to give the federal government a greater role in this area than it has been given heretofore? But we emphasize it in terms of what the provinces may consider it desirable to do. There is no suggestion by the government that we should act in that matter unilaterally. Indeed it is our strong hope that the provinces will, within the areas falling under their own jurisdiction, accept the principles of the Official Languages Act, principles which they would implement within their own areas of jursidiction.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I recognize I could use some other way to put this question to the Secretary of State, but I chose to ask it publicly for everybody to understand the nature of my question. I want to congratulate him for the scope of his statement, but I would like to know if, in his paper, he should not have included some provision which would ensure a certain quality of French, especially of French as a written, spoken and even sung language. There is a vacuum in this area, at least in the province of Quebec.

[*English*]

Mr. Roberts: Mr. Speaker, I should not like to comment about that possible vacuum in Quebec. There is no reference to that question within the paper I tabled today. Perhaps there should be some such reference, and I will be happy to discuss with the hon. member questions about which he is concerned.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I do not have a copy of the statement the minister tabled today. I do not have a party leader, thank goodness, but I wish to make some comments on this subject.

● (1740)

I am a bit concerned that the minister has spoken about freedom of choice of a parent to educate a child in the language of the parents' choice. I would like to know whether the minister is prepared to carry this freedom a bit further so that a parent can have the freedom of choice to have the child educated in both official languages. That would be true bilingualism.

I am afraid that what the minister has suggested today is going to continue to operate as separatism. I fear the government is encouraging separatism by some of the suggestions that have been made, and we will continue to have ghettos of French and ghettos of English. It is obvious that the government did not want to use the word "language" in the Human Rights Act when it came before the House.

The Prime Minister (Mr. Trudeau), the minister, and his colleagues at the federal level should meet with their counterparts at the provincial level to endeavour to have a uniform, national, integrated, non-separate education system where all youngsters, regardless of their religion, colour, language or ethnic background, can be educated in both languages together. We would then have national unity. We would then have language unity. Is the minister prepared to go that far to indicate freedom of choice in both languages, not just one?

Mr. Roberts: Mr. Speaker, I am not sure if I exactly understood the nature of the question. It would be the ultimate hope one would be able to choose either official language. Presumably one could alternate them from year to year if one so desired. I do not see how one can be educated in two languages at the same time, unless the hon. member is speaking about the kinds of programs we already have, that is, to give second language courses as well as majority language instruction, which happens in many places in the country at the present time.

Mr. Deputy Speaker: I do not want the hon. member to think that he is not entitled to make a comment. If he wants to clarify a question, I will allow it.

Mr. Jones: The simplicity of the question is obvious. The Official Languages Act declared two official languages. Is the government prepared to encourage the education of students in this country in both official languages of this country, and not just one, so that we do not have some children being educated in English schools and some being educated in French?

I will give an example in my home town. My youngster at one time asked me what door he would go into at school, the English door, the French door, or the Catholic door. We have straightened out the religious situation. Surely the government can straighten out the language situation. Is the minister prepared to encourage the provinces to go along with that type of situation rather than separate schools?

Mr. Roberts: If I understood the question correctly, the answer is yes.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to say how interesting is the minister's statement. He has emphasized the fact that it was more than an invitation to the provinces, it is a federal government's decision. That rather takes me back to wishful thinking concerning the provinces. I deeply regret, Mr. Speaker, that we were not assured that

there would be a genuine consultation with the provinces. I regret that nobody can tell us how many provinces or if all provinces agree on such an objective.

Of course, I would like to be sure the provinces will accept and, taking into account the institutions and the staff training which will be necessary if this objective is ever put forward, I cannot keep from seriously doubting the validity or the efficiency of the statement made today. But I would like to ask the minister if he could provide this House with the assurance that the nine provinces agree completely on this principle which is an ideal, without any doubt, and if it would not be easier with that assurance to see a more positive and more encouraging attitude from Quebec and even see the possibility of amending Bill No. 1 which is presently being debated in Quebec.

[*English*]

Mr. Roberts: Mr. Speaker, I of course hope that Bill 1 might be modified to be in accordance with the principles which we have described in the paper. In so far as the other part of the question is concerned, in relation to consultation, there have been consultations with all ten provinces in relation to these programs, at least since January, in terms of educational problems in relation to language.

I would be a bit dismayed at the suggestion that the consultation we should undertake should be undertaken only confidentially between the federal government and the provinces. It is preferable for the federal position to be made public so that discussion of the provincial position can take place as well in public.

Obviously the process of consultation is not simply a consultation between governments, but also involves the citizens of the provinces. They should be aware of the position the federal government is taking and also of the position their provincial governments take. They should be aware of how these positions might accord one with the other. That kind of consultation or exchange is most usefully undertaken within the forum of public awareness. That is why we have presented the federal government's position as clearly as we can today.

I believe, after the very short discussions which I had with the various provincial leaders, that they will be prepared to welcome the document, at least for purposes of discussion and study. We look forward very much to receiving their replies so that we may deal publicly with an issue that is of fundamental importance to this country.

Mr. Deputy Speaker: I will recognize three more members, the hon. member for Montmorency (Mr. Duclos), the hon. member for Fundy-Royal (Mr. Fairweather), and the hon. member for Parkdale (Mr. Haidasz), and then we will try to complete Routine Proceedings.

[*Translation*]

Mr. Louis Duclos (Montmorency): Mr. Speaker, could the minister advise the House whether he feels the linguistic equality principle which underlies his policy statement would be as faithfully adhered to if, as regards the language of teaching, all English-speaking provinces agreed to treat their French-speaking minorities just as well as Quebec will treat its English-speaking minority following the adoption of Bill One which, as the Minister very well knows, guarantees access to English schools to all children of English-speaking parents who have received their education in Quebec and which may hopefully be amended in a way that will allow children of English-speaking parents coming from outside Quebec also to attend English schools.

[*English*]

Mr. Roberts: Mr. Speaker, I think it would be a great step forward if Bill 1 were changed or altered in that direction. It would certainly be a great step forward if the other provinces moved to a system to provide the same opportunity which now exists within the province of Quebec and would indeed exist after the passage of Bill 1 in its present form. As I indicated, it would seem desirable that amendments to it take place.

The difficulty I personally have in relation to Bill 1 is that it accepts a limitation on freedom of choice not simply as a short-term regrettable necessity but as a permanent thread in the fabric of Quebec life. If the provincial government were able, as I hope it would, to say that while it might in the short-term be regrettably necessary to have such limitation on language freedom, it would not be necessary in the longer run, that would be an admirable step forward in the present situation.

Mr. Fairweather: Mr. Speaker, I realize the time constraint and I have just a couple of questions. One of them at least will need an answer later. The minister might like to take it under advisement.

• (1750)

The first question concerns the role of which the minister speaks on page 70. Is it the expectation that the government will promote the federal role by a transfer of tax points or direct cash grants? It is ironic that we have just passed the Fiscal Arrangements Act whereby the government transfers tax points and winds down to some extent the federal role, yet here we are happily winding it up. It is a paradox.

Second, my leader spoke of the replacement of the languages commissioner. Surely we are entitled to a date or an expectation in connection with a new appointment. If we leave here early in July, will we know who it is to be before we leave?

Last, would the minister reconsider what I believe to be an unfortunate omission of a reference to my own province of New Brunswick which will celebrate Canada's birthday by proclaiming the last parts of the Official Languages Act, parts which have come into play only with difficulty because of the nature of the arrangements. The minister, in his statement, omitted any mention of New Brunswick though he referred specifically to what is happening in Quebec. I have no anxiety about that, but I do take exception to New Brunswick being omitted. Effective July 1 of this year it will be the only officially bilingual province in Canada.

Mr. Roberts: I must be hesitant in relation to the hon. member's first question. I would be reluctant to say anything which might be interpreted as providing a blank cheque to the provinces in connection with funding. We are anxious, as the paper indicates, to receive proposals for discussion and, indeed, we have been discussing with the provinces, as I indicated earlier possible changes in the present payment system.

In relation to the appointment of a languages commissioner I know there are a number of names under consideration, but the hon. member's question is one which should be directed to the Prime Minister (Mr. Trudeau). The appointment is one which he should announce to the House rather than myself.

Finally, I understand the minister's concern that I did not, in my statement, refer to New Brunswick. If he looks at page 70 of the paper, however, he will find there a full and strong statement of recognition of the important steps the province of New Brunswick has taken.

Mr. Haidasz: In thanking the Secretary of State (Mr. Roberts) for this statement on language policy and deploring the restrictive provisions of Bill 22 and of proposed Bill 1 in the Quebec Legislature, I would like to ask the Secretary of State whether in the formulation of this policy and in discussion with the provinces any consideration has been given to the recommendations of the Canadian Consultative Council on Multiculturalism in relation to federal support for the teaching of non-official languages in Canada.

Mr. Roberts: Mr. Speaker, in response to the hon. member I would point out that my colleague, the Minister of State for Multiculturalism (Mr. Guay), this past week end made a statement in Vancouver, a copy of which I am sure he will send to the hon. member, indicating that the federal government is prepared to fund under certain formulae, as a supplement to the ordinary school system, special classes for the maintenance of a variety of languages in the country, as I say, not through funds directed to the normal school system, but to voluntary agencies and other groups who have organized special classes in their language, supplementary to the normal educational system. For further details I would suggest the hon. member read the speech made by the Minister of State for Multiculturalism this past weekend.

* * *

CRIMINAL CODE

AMENDMENTS TO PROTECT CHILDREN FROM SEXUAL EXPLOITATION

Mr. Jake Epp (Provencher) moved for leave to introduce Bill C-425, to amend the Criminal Code (sexual exploitation of children).

He said: Mr. Speaker, members of the House of Commons and Canadians in general are appalled at the rapidly rising incidence of children performing sexual acts for those in society producing pornographic materials.

The purpose of this bill is to protect children under the age of 15 from sexual exploitation in general and in particular, from sexual exploitation in "adult" magazines and films. At the same time the bill would widen the scope of section 166 of the Criminal Code, which presently is limited to parental responsibility for certain acts or omissions in relation to their female children. The bill extends the same prohibitions as provided for female children to male children.

Section 166 of the Criminal Code will be further amended which would outlaw child pornography and allow the courts to dispose of the offensive material.

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

* * *

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: 1,565, 2,334 and 2,407.

[*Text*]

MINERAL DEVELOPMENT AGREEMENT—NEWFOUNDLAND

Question No. 1,565—**Mr. Marshall:**

Under the Mineral Development Agreement signed on December 17, 1976 between the government and Newfoundland, what areas are designated for mineral evaluation in the Constituency of Humber-St. George's-St. Barbe under (a) regional mineral potential evaluation (b) mineral resource management (c) mineral development strategies?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: To date, management committee approval for projects under the Regional Mineral Potential Evaluation component of the agreement will result in detailed geological mapping in areas of the Humber-St. George's-St. Barbe Constituency as outlined in Figure 1, following. Specifically, this will include the major part of Sector 1 (a further description of sub-project 1.11 Daniel's Harbour is contained in Figure 2, following) and a smaller portion of Sector 2. It is anticipated that this component of the agreement will account for approximately 70 per cent of the total agreement funds. Work on this project will commence in the coming field season. The Mineral Resource Management Project will be concerned with the province as a whole and not any specific region. The Mineral Development Strategies Project has a number of components, some of which will be province wide and some of which will be concerned with certain areas. The general concepts of the project have been outlined, but the specific work has not yet been decided. Joint public announcements will be made regularly by DREE and the Government of Newfoundland and Labrador regarding progress on the implementation of the Agreement.

Order Paper Questions

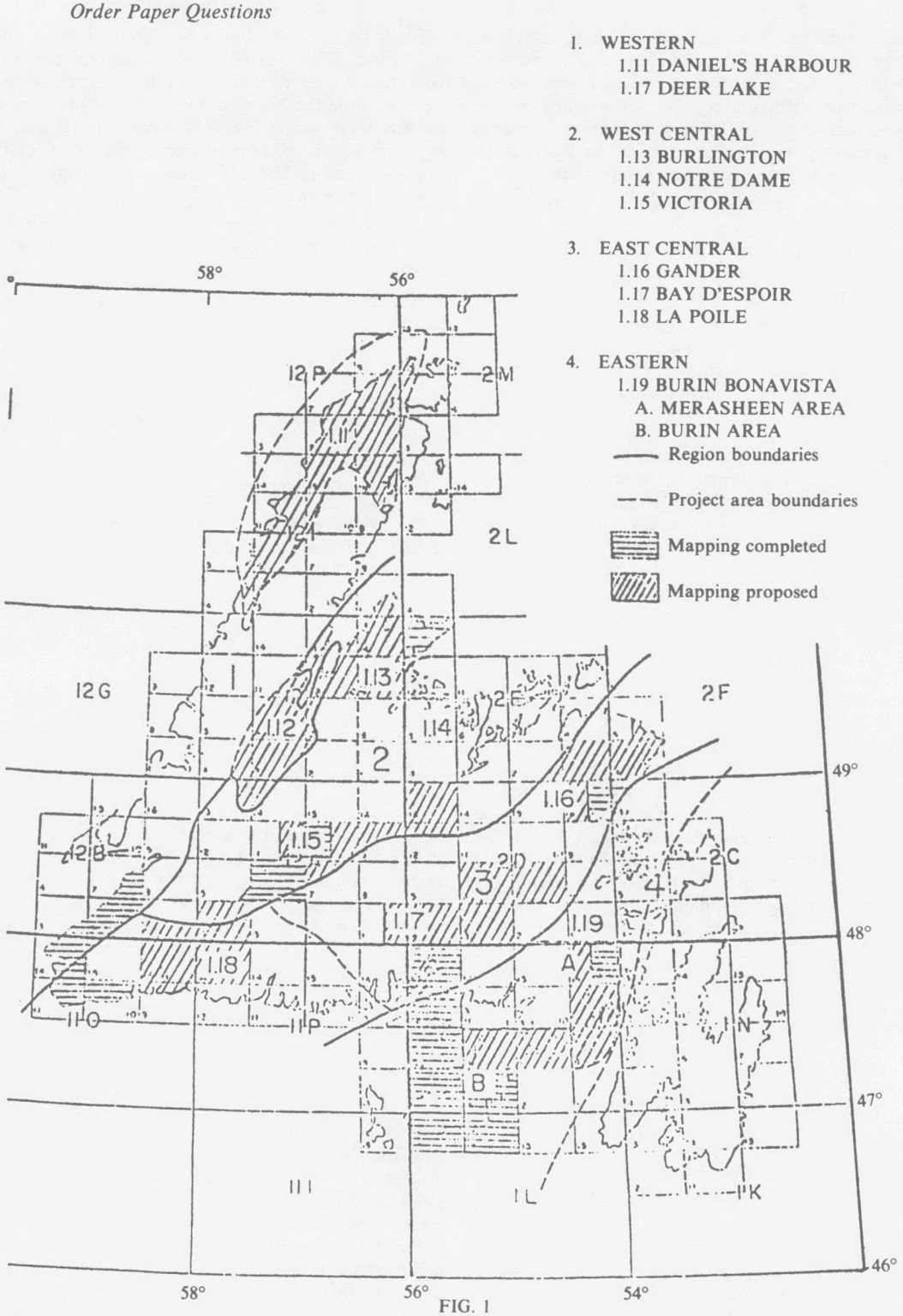


FIG. 1

[Mr. Lumley.]

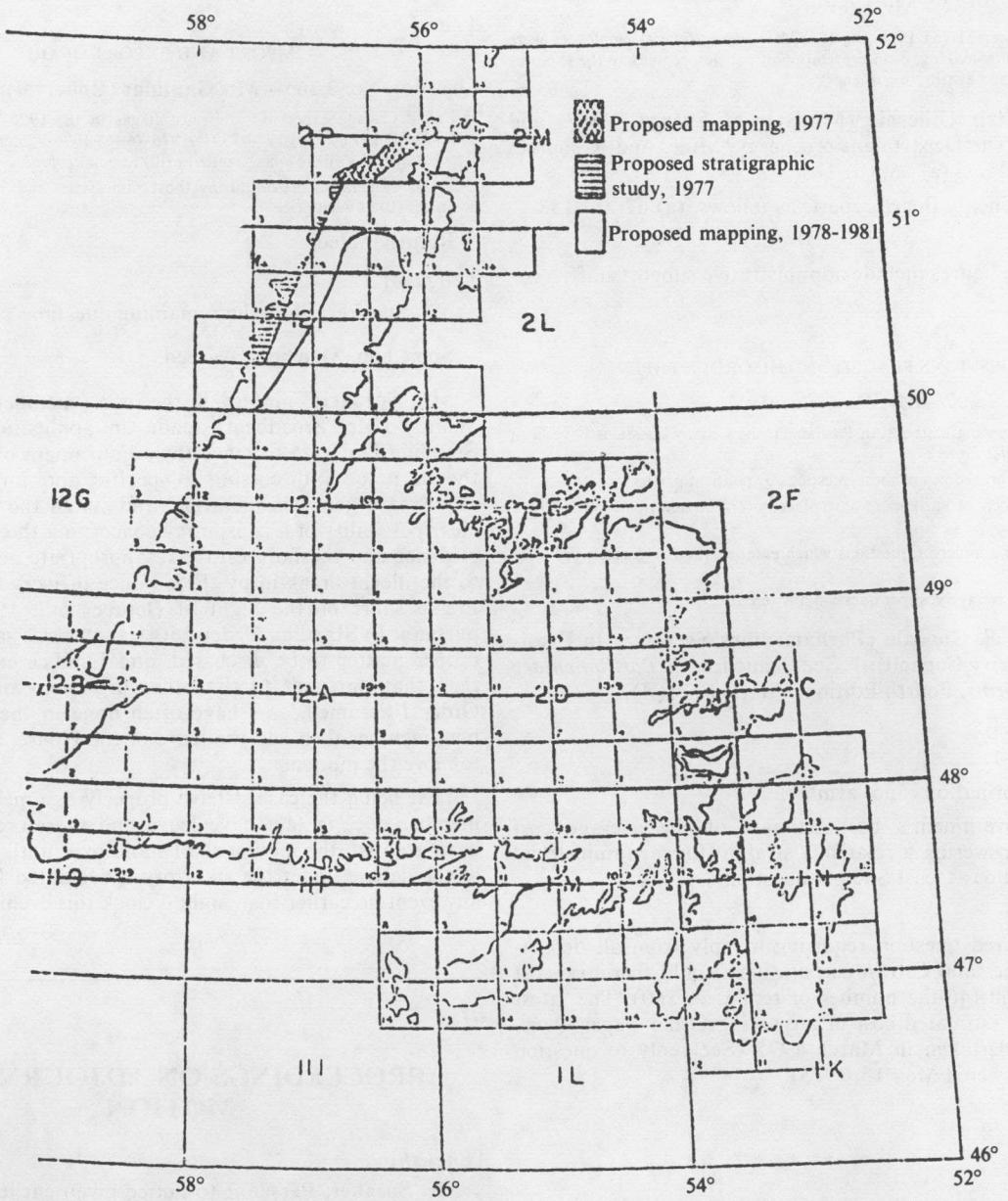


Fig. 2
Daniels Harbour Project Area

Order Paper Questions

FEDERAL EMPLOYEES CHARGED WITH POLICY MAKING IN THE ENERGY FIELD

Question No. 2,334—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or interpretation of policies, regulating the exploration, production and distribution of energy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) 25; (b) 215.

National Energy Board reports as follows: (a) 62; (b) 153.

NOTE: These figures include administrative support staff.

QUESTIONS PLACED ON THE ORDER PAPER

Question No. 2,407—**Mr. Roy (Laval):**

1. Since the opening of the 30th Parliament, how many questions have been placed on the *Order Paper*?

2. What is the breakdown of these questions by political parties?

3. What Members of Parliament have placed over 300 questions on the *Order Paper*?

4. What is the number of questions which entailed the (a) greatest (b) least cost?

5. What is the average cost per question answered?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): 1. See Beauchesne's *Parliamentary Rules and Forms,* Fourth Edition, Citation 171(ff).

2. See part 1.

3. See part 1.

4. This information is not available.

5. The government's best estimate of the average cost involved in answering a relatively straight-forward ministerial inquiry would be at least $60 per question.

NOTE: A shared question requiring a reply from all departments, agencies and Crown corporations would therefore cost at least $2,760 (46-the number of replies X $60). The latest survey of the estimated cost of answering Order Paper Questions was undertaken in March 1975 (See reply to question No. 1,837 answered May 15, 1975).

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, if question No. 2,365 could be made an order for return, this return would be tabled immediately.

[Mr. Lumley.]

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

[*Text*]

IMPORT AND EXPORT OF OIL

Question No. 2,365—**Mr. Gauthier (Roberval):**

1. Did Canada export oil and natural gas in (a) 1970-71 (b) 1971-72 (c) 1972-73 (d) 1973-74 (e) 1974-75 (f) 1975-76 (g) 1976-77 and, if so, in each case (i) what quantity (ii) to what countries (iii) at what price?

2. Did Canada import oil during those same years and, if so (a) from what countries (b) at what price?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Mr. Speaker: Yesterday the hon. member for Oshawa-Whitby (Mr. Broadbent) made an application pursuant to Standing Order 26 to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, and stated the subject to be a clear possibility of a conspiracy concerning the concealment of evidence and the failure to take appropriate action pertaining to the illegal break-in by three police officers at L'Agence de Presse Libre on the night of October 6-7, 1972. I decided, pursuant to Standing Order 26(4), that I was satisfied it was a proper matter to be discussed, and I indicated to the House then that pursuant to the other provisions of the Standing Order I assumed, as I have often done in the past, that the hon. member then had the leave of the House, as was obvious, to move the motion.

That being the case, I have properly assumed that the hon. member does in fact have leave and therefore, leave having been granted, the motion shall stand over until the completion of the debate under the statutory order dated May 30, but in any event no earlier than eight o'clock this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

Mr. Speaker: Pursuant to notice given earlier this day and to revised proceedings during this month, the matters to be raised at this hour are as follows: the hon. member for Shefford (Mr. Rondeau)—National Defence; the hon. member for Simcoe North (Mr. Rynard)—Health; the hon. member for Victoria (Mr. McKinnon)—Social Security.

Perhaps to keep our proceedings in order I should call orders of the day before proceeding, and indicate that I have already recognized the hon. member for Shefford.

• (1800)

[*Translation*]

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

NATIONAL DEFENCE—ALLEGED USE OF GANDER AIRPORT TO TRANSPORT CUBAN TROOPS TO ANGOLA

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, it is common knowledge, especially in the last few years, that the Cuban government has taken upon itself a special mission throughout the world. It seems to have become the promoter or the instigator of guerilla warfare in several countries. It is a known fact, among other things, that Castro's troops are in Angola to do the job we suspect and to overthrow the ruling government there. At the present time, Mr. Fidel Castro's troops are also in Mozambique, in Rhodesia and in Tanzania.

A few years ago, the Salazar government in Portugal refused access to the airports in Portugal to the troops of Fidel Castro's government in Cuba for fuelling up on their way to Angola and Mozambique, there to take part in the revolution. I was particularly shocked to learn the other day, through an American television program, that Canada had given Castro's troops authorization to use the military airport in Gander, Newfoundland, and thereby enable Castro and his troops to reach Angola and participate in guerilla warfare.

Now, according to my information, the Prime Minister (Mr. Trudeau) gave Fidel Castro that authorization; I found it absolutely shocking. So, under the circumstances, I would like to know whether national defence authorities were consulted before the Prime Minister authorized Fidel Castro's troops to use the airport in Gander, Newfoundland. Mr. Speaker, I would also like to know whether the Prime Minister can give such authorizations to a government such as Fidel Castro's without consulting beforehand our national defence authorities, or whether it is the policy of National Defence to cooperate with any revolutionary government that wants to engage in guerilla warfare in certain countries of the world.

So, Mr. Speaker, that is why I brought up the matter in the House of Commons. I would like to know whether the authorization given by the Prime Minister (Mr. Trudeau) was government policy or whether it was an error on the part of the Prime Minister, or again an authorization that does not reflect government policy. I should very much like the spokesman for National Defence to give me a clear and specific explanation, and more particularly tell me whether the Canadian government is willing to cooperate with any army or group whose special mission is guerilla warfare and revolution in foreign countries.

[*English*]

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, further to the minister's reply of June 16, the Canada-Cuba air transport agreement, signed in September, 1975, grants to the Cuban airline overflights of and technical stops in Canada. Therefore no special or prior consultations are required for each flight. Nonetheless, the government has investigated all alleged incidences of this type, and there is no evidence that a Cuban airline has used Gander for troop movements. Furthermore, Cuba operates direct scheduled services between Havana and Luanda, Angola, via Conakry and Freetown. Charter flights receive prior diplomatic clearance through the Department of External Affairs. Each Cuban charter receives a prescribed route from the Department of National Defence. Since January, 1975, there have been only two charter flights into Canada, one to Vancouver for Habitat in June, 1976, and one to Ottawa for an official Cuban state visit in September, 1975.

HEALTH—PRESERVATION OF CONFIDENTIALITY OF DOCTOR-PATIENT RELATIONSHIP—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I asked the Minister of National Health and Welfare (Mr. Lalonde) a question on June 7 having to do with the growth of socialized medicine requiring identification of the patient and his treatment, information which was inviolate before the introduction of state medicine but which can be and has been used by communist countries against patients in those countries. I asked the minister what protection had been provided to preserve this confidentiality for Canadian patients.

In answering that question the minister went on to say that the civil servants were fully protected. As far as the health of civil servants is concerned, quite specific rules compel medical officers to maintain the confidentiality of the medical information they obtain from their patients. He continued by pointing out a defect, which is the very thing I am pointing out, when he said as follows:

> ... I think the hon. member is concerned about a form which the Ontario department of transport is using to request those who are seeking a driver's permit to have their physicians complete a detailed form to be forwarded later to the Ontario department of transport.

Now he says that they have nothing to do with that. That is correct, but that is not what I was referring to, Mr. Speaker. What I was referring to was the article contained in the *Medical Post* dated May 24, 1977, which reads as follows:

> Dr. Jack Saunders, OMA director of health services, said the federal government has been collecting data from the provinces for "about two years" now on admissions to psychiatric units in general hospitals, as well as psychiatric hospitals.
>
> "It just came to our attention a couple of months ago," he said, during a news conference at the OMA annual meeting here.

That is something they did not know we were doing here in Ottawa. The article continues:

> "When we looked into it, we found they were asking for patients' names, social insurance numbers and a lot of private information. Yet they (government) are just supposed to be asking for statistics."

I want an answer to that. This is apparently the second such case involving a question of patient confidentiality and the federal government on which the OMA has taken action.

The article continues:

> Dr. Saunders said that last year it had asked the province to stop giving social insurance numbers and locations to the federal government on therapeutic

abortion cases. In that instance, the province agreed to withhold the information from Ottawa.

Then they tell me they do not know anything about this. There is something very radically wrong there. This is very interesting because Ontario is the one cow they are milking. Quebec is a little bit smarter than that because it will not give them that information.

It continues:

. . . the hospitals from other provinces have never provided names or social insurance or hospital insurance numbers. They have scrambled the numbers to provide anonymity, though the scrambled letters are used for the same person. Only Quebec has devised a good method of keeping record reporting confidential outside of the province . . .

This is what I want the federal government to look into. I will not go on at length with that except to say that I should like to give the authority of a man who spoke to committees of both the Senate and the House of Commons. I am referring to Dr. W. G. McClure. At that time he was the Dean of Medicine at the University of Vancouver. He is now the Registrar of the College of Physicians and Surgeons of Vancouver. Dr. McClure said the following:

Governments across the country are carelessly passing legislation requiring doctors to report confidential medical information to clerks in various departments and corporations run by the government. We must all protest this to our respective governments.

You get more and more state control, and then you get the state pulling someone into court. They go back and use that information and have lawyers on the other side, as we have seen on so many occasions. As so many legal people have seen, they will take the case on one side and then will get the information which was supposed to be confidential. This may be used by unscrupulous personnel. It may be enough to convict the person involved. That is completely wrong. It is exactly what I asked the minister about. What has he done to stop this nonsense? What has he done to protect this confidentiality? What has he done to keep us from finding ourselves in the same situation as people are in the U.S.S.R. where the state controls the people? Does he want that in Canada?

● (1810)

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am replying to my hon. friend for the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae). On June 10 the hon. member for Simcoe North (Mr. Rynard) raised a question in the House concerning the possibility of identification of psychiatric patients and their treatment on forms sent to the federal government by the province of Ontario. I wish to provide some additional detail in response to that question, to emphasize our respect for the privacy of the individual, and to offer assurance as to security provisions in the handling of confidential information by federal agencies.

Each year, for purposes of statistics on the health status of Canadians, Statistics Canada and the Department of National Health and Welfare receive extracts from provincial admission and separation forms for patients in general and allied special hospitals, including psychiatric patients in those facilities.

[Mr. Rynard.]

These reports from the provinces contain health insurance numbers, but do not include the names of individuals. Without a complete list of numbers and names, which only the provincial government has, it thus becomes virtually impossible for any federal agency to identify anyone by name.

Mr. Rynard: That is absolutely wrong.

Mr. Milne: I am quoting the minister.

In addition, however, it has now been agreed that, in future, health insurance numbers will be scrambled to provide greater protection to the individual. Under a second system of mental health statistics operated by Statistics Canada, copies are received of reporting forms for patients who are admitted to or separated from psychiatric institutions and psychiatric units of general hospitals. Similar forms have been in use since 1931. The Statistics Canada instruction manual requires only the first three letters of the surname and the initial letter of the given name, as an alphabetic identifier.

I am advised that the essential reason for the use of numeric or alphabetic identifiers for patients in compiling statistics is to distinguish between events and cases. For example, six separate hospital admissions could relate to one person or to as many as six persons.

Co-operation between the professions and federal and provincial agencies in maintaining mental health records and statistics has been carried on for many years. The question of confidentiality of information and provincial statutes and regulations with respect to this is a subject of an ongoing review at the federal-provincial level. I have no doubt that co-operation in the development of these statistics will continue, as it has in the past, with full respect for the dignity and privacy of the individual, whether he be ill or healthy.

SOCIAL SECURITY—NEGOTIATIONS FOR RECIPROCAL AGREEMENTS WITH OTHER COUNTRIES—DATE AGREEMENTS EFFECTIVE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my reason for speaking in this adjournment debate was the very disappointing answer I received from the Minister of National Health and Welfare (Mr. Lalonde) on June 10 concerning the commencement of reciprocal arrangements having to do with old age pensions between Canada and some other countries.

To understand my disappointment I wish to point out the difference between the statements made by the Minister of National Health and Welfare when he was promising this, partly in order to get Bill C-35 through, and his statements up to the present day. Now that the bill has passed, things have become more difficult. You will recall that the bill was in two parts, one dealing with reciprocal pensions and the other dealing with partial pensions, and it should be noted that partial pensions are a money saving device by the government and a piece of legislation which will bring untold trouble to the administration, and guarantee perpetual poverty to the recipients.

On April 14, 1976, as reported at pages 12816 and 12817 of *Hansard*, the minister, speaking of bringing in this bill, said:

Parliament will be asked to adopt measures . . . to build into our program the possibility of this inclusion in international reciprocal arrangements with other countries, such as Italy, the United States, and the United Kingdom, so that our residents who have earned social, security rights in foreign countries can receive them in Canada.

Later in the same debate on the same day he said:

Mr. Speaker, the countries which have been most persistent and pressing in terms of reaching an agreement are the three countries I have mentioned.

Those countries were Italy, the United States, and the United Kingdom.

After much prodding by hon. members from all opposition parties the minister finally did bring in the bill on March 9. At page 3812 of *Hansard* for that day the minister is reported to have said:

. . . the provisions of the bill are important for all residents of Canada, especially for those who have earned social security credits in other countries but who are deprived of foreign benefits in the absence of international agreements. Now that a general consensus has been reached concerning these provisions, I trust that hon. members will want to give the bill speedy passage.

He also said:

The primary objectives of Bill C-35 are to permit international agreements . . .

Then he said:

. . . I would urge upon all hon. members the bill's speedy passage.

In reply to that the hon. member for Hamilton West (Mr. Alexander) said:

As I understand it, we do not need this bill to start negotiating with countries such as Italy, France, the United Kingdom, Bermuda, Jamaica, etc., but it is the expressed intention of the minister to start, if not continue, discussions with the various countries so that we can be in a position to execute the documents as soon as this bill is proclaimed.

At that same time the minister put out an expensive package of explanatory notes regarding the bill, and I would like to quote to the House from page 5 of the questions and answers as follows:

Q. Have some countries indicated an interest in having reciprocal social security agreements with Canada?

A. Italy, the United States and the United Kingdom have been pressing for an agreement with us. Others—Belgium, Bermuda, Guyana, Jamaica, Malta, Norway, France and Turkey have also expressed such an interest.

Very well. The opposition co-operated. We passed the bill in very short order, nearly as quickly as any I have seen passed through the House. I feel, however, that we did not give sufficient attention to two parts of it. One part was the famouse spouse's regulation, and another part the partial pension which, as I said before, is going to cause us considerable trouble in the future.

However, the bill is now passed, and the minister is authorized to start paying partial pensions instead of full pensions effective July 1. But what about reciprocal arrangements? I would like to quote now from page 5712 of *Hansard* of May 17. The minister was replying to a question by the hon. member for Hamilton West with regard to when these reciprocal arrangements would be in effect. He said:

Meetings with British officials are scheduled for the week of July 11 and we are to have meetings with French officials in early fall . . . With regard to the British situation, their minister has indicated interest in reaching an agreement but he pointed out that there might he some financial difficulty in Britain in meeting the commitment that could be made under such an agreement. We are going to explore the matter further.

On June 10 I asked the minister if he was making any progress, and at page 6529 of *Hansard* he is reported to have answered, in effect: "The United Kingdom has informed us that preliminary discussions amongst officials resulted in proposals". He went on further to say that there would be meetings of senior officials in the coming months. He said that he spoke with his British opposite number and obtained an agreement in principle from his British colleague.

However, his British colleague indicated his concern about the availability of funds in England for that purpose. It seems to me that this is an absolutely despicable betrayal of many senior citizens in this country, whom the minister deluded by claiming that other nations were pressing us for an agreement. This pressing for an agreement has somehow now turned into "there will be a meeting of senior officials in the coming months". This is a totally different picture than the one the minister presented to us when he was trying to get speedy passage of the bill through the House. I feel that that is not good enough.

If the minister was pressed to sign agreements before the bill was passed, why is he not able to produce those agreements now or give us an answer which would give us some encouragement? Instead, we hear that his officials are talking.

What particularly concerns me is that a part of the bill which will save the government money, the partial pensions part, has gone forward and will be in effect from July 1. It will be a money-saving device for the government. The thing we were all hoping for, the convertibility of pensions, is going to wait until some far distant—

• (1820)

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I reply once again on behalf of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae).

When he raised this question in the House on June 10 the hon. member for Victoria (Mr. McKinnon) phrased it in three parts: will reciprocal social security agreements with France, Italy, the United Kingdom and the United States be effective on the date of entry into force of Bill C-35; if not, why not; and when will the agreements be effective?

The answer to the first part of the question is negative. The minister has already described his recent meetings with the ministers of the countries concerned. The present situation with respect to each of these countries, taking them in the same order, is as follows: a first meeting with French officials is tentatively scheduled for this fall. Technical discussions with Italian experts, which have just been concluded, will be fol-

lowed by a first round of negotiations at the official level in July. In the same month a first round of negotiations with British officials will also take place. Technical discussions with U.S. officials were held in May of this year and will be followed up this autumn on dates which have not yet been determined.

Turning to the second part of my hon. friend's question, I would remind hon. members of the minister's statement during the debate on Bill C-35 to the effect that it takes two to negotiate. All countries concerned have insisted on the inclusion of the old age security program in an eventual agreement with them. The Canadian side has only recently been in a position to say with certainty that it could in fact include that program.

As we move into the negotiating phase, and bearing in mind the government's commitment to enter into agreements when these are in the interests of Canada and of residents of Canada, it cannot be assumed that the terms which we presently envisage will be immediately acceptable—financially or policy-wise—to each of the other countries concerned, and vice-versa. Furthermore, once common ground has been reached, agreements will in many instances need to be ratified by the legislature of the other contracting party before they can begin to take effect. In the case of the United States, for example, even if we were to sign today, the agreement could not be ratified by the other side until such time as proposed legislation presently before Congress has been passed.

In the light of the foregoing, my answer to the third part of my hon. friend's question must be that it is hoped such agreements will be signed and enter into force at the earliest possible date. It goes without saying that the minister and his officials will spare no effort in attempting to bring this about and, in so doing, will seek those terms which will be most equitable to all concerned.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Turner): I do now leave the chair until eight o'clock tonight.

At 6.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Milne.]

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

PETITION TO END CONTROLS ON JUNE 30, 1977

The House resumed from Monday, June 20, consideration of the motion of Mr. Stevens:

That the Anti-Inflation Act, being chapter 75, Statutes of Canada 1974-75-76, as amended by chapter 98, Statutes of Canada 1974-75-76, shall expire on the 30th June, 1977.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the motion now under consideration deals with inflation, the Anti-Inflation Board and the abolition of controls anticipated by the Anti-Inflation Board.

The matter which we are discussing today is not a new one but is rather stale. However the solutions to the problem of inflation are not stale, because this government has apparently not yet found them. Yet, the Anti-Inflation Board was set up by the government specifically to jugulate inflation once and for all. But, Mr. Speaker, try to convince of the AIB's efficiency the housekeeper who goes shopping every week, when the notices that prices go up constantly by 5 to 10 per cent, on an average, every week. Often, all she has to do is lift the price sticker to see last week's and realize the price has gone up by 20 cents on a $2 article. Try to talk to her about the value of the AIB and you will soon hear what she thinks of that bureaucracy which floats in the clouds, putters around with papers and has no clue what is going on in the real world, where things happen.

Before going into the essence of my remarks, Mr. Speaker, I should like to quote an article that goes back to December 14, 1974 and appeared in the newspaper *Le Soleil*, of Quebec City; it shows just how crazy our economic system is. With supporting figures, we are shown how, with an inflation rate of 10 per cent, which we have known for several years already, a bus ticket worth 40 cents in 1974 will cost $1.15 in 1985, $2.95 in 1995 and $4.70 in the year 2000. It is almost inconceivable, Mr. Speaker, just how savings will be gobbled up, will disappear or depreciate over such a short period of time.

Groceries worth $50 in 1974 will cost $142.65 in 1985. Even now, in 1977, we can readily imagine, if nothing changes, that it will cost $142.65 in 1985. And in the year 2000, it will cost $595.95. A house costing $32,000 in 1974 will cost $85,593 in 1985, and $357,545 in the year 2000. Last night, I heard the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) say that a house now worth $30,000, at a 12 per cent rate of interest, will cost, 12 years later, only in interest, the small amount of $152,000. That is, $152,000 for service charges and interest and $50,000 for the purchase of a house of his choice, that is a $30,000 home.

● (2010)

Mr. Speaker, one of the first measures passed by this government when it was first elected in 1968, has been one to

raise the ceiling on interest rates. In 1968, the ceiling was 6¼ to 6½ per cent, an average rate in Canada; now, the rate on ordinary loans is 12 per cent. That is why a $30,000 home in 1977 paid off over 30 years will produce an interest of $152,000. To reward financial interests in 1968, we raised the ceiling of interest rates and today, financiers are getting twice as much interest as in 1968. We created inflation, Parliament is responsible and not the provinces, or municipalities or school boards or individuals or unions.

The trade unions fought back because they wanted to survive in that crazy system which was set up by the present government when it suppressed the ceiling on interest rates. Inflation in Canada has been a boon for the present government. Why? Because when a worker earns $200 a week, like we saw last year during the Olympic Games, and when interest rates jump following all those increases in interest rates, to afford a house of his own and all the commodities of life, that worker has to demand twice what he got during the Olympic Games. The federal government, without raising the taxation tables, like the former government of Mr. Bourassa, without raising the taxation tables, increased its budget in ten years from $12 billion to a national budget of almost $50 billion.

That means that inflation has served the present government, because it has worked to its advantage. Without raising taxes, the government has collected more money and taxpayers have paid more tax to the federal and provincial governments. Mr. Speaker, the Anti-Inflation Board was created nearly 24 months ago. During the next few minutes, I should like to emphasize that, firstly, this board has cost a lot of money, secondly, it has hired a great many civil servants and, thirdly, it resulted in a waste of ink and paper by the tons. In my opinion, Mr. Speaker, those are the true results of the board's actions. It has spent a lot of money. Some $5,428,000 in 1975-76. Some $12,530,000 in 1976-77. From April to October 1977, it will cost another $7 million. For a grand total of $25 million over a 24-month period, which represents an average of over $1 million a month. Mr. Speaker, the board hired a great many people. In December 1975, it hired 342 employees. In March 1976 and June 1976, it hired 447 and 889 employees respectively.

Between March and June 1976, the Anti-Inflation Board has seen an inflation in the number of its employees which has more than doubled. The number of Anti-Inflation Board employees has reached the imposing figure of 914; but this number does not include the people hired by separate contract. Furthermore, the Anti-Inflation Board has travelled around, since it had to make its presence felt since it could not make its effects felt. That is why it has held hearings in the most expensive hotels in this country while Canadians were faced with prohibitive goods and services costs in Canada because of inflation. My third point, Mr. Speaker, is that the Anti-Inflation Board has produced tons of paper, one of the more concrete results on its part.

Mr. Speaker, I could go on for hours reading releases from the Anti-Inflation Board congratulating itself on its excellent job. In addition to having used a lot of paper, the Anti-Inflation Board achieved the following results: It controlled the wages of small wage earners, who were the first victims of inflation, but it did not control the prices paid by the small wage earners. Moreover, it frightened the investors because when they always have a sword over their head they do not invest, and rightly so, because they do not want to risk their capital to produce goods and services when the interest on capital is more productive on bonds which escape or used to escape the controls, than the interest on production capital which can eventually be subject to controls.

Because the investors were afraid, the Anti-Inflation Board has been one of the main causes of the present unemployment. All these results had been forecast by the Social Crediters because we predicted these economic results while the economists hired by the government were showing off the blown-out lantern of the Anti-Inflation Board, following the warnings given by the Social Crediters to the government before the board was established. Others also warned the government about the future inevitable disaster it would encounter with its miracle answer, the establishment of an Anti-Inflation Board. This experience had been tried in the United States when certain price controls were imposed, and it had ended in disaster. The government wanted Canada to repeat this American disaster. In fact, Mr. Speaker, Canada has become an expert in imported American mechanisms which have already failed and which are expected to do miracles in Canada. I well remember as I was in the House in 1962 and 1963, the American nuclear warheads of 1962-63, which are another example of disasters such as the Anti-Inflation Board of 1975.

The Canada Labour Council has published a yellow pamphlet entitled *Why me*? to show that it is the weak who suffer from inflation. It seems that wage controls were established to protect us against inflation. In fact this is a measure which will be detrimental to those who are most affected by inflation: Canadian workers and consumers. Why us? We spend almost all our income for housing, mortgages and food. Those spendings went up by 65, 32 and 49 per cent respectively between 1971 and 1974. We had to face increased obligations whereas our wages averaged 25 per cent more during the same period. Meanwhile higher prices yielded corporate profits exceeding by 111 per cent those of 1971, before the crisis. Why are we the only ones to be blamed? What makes us believe that the government can or wants to control those who are benefiting from inflation?

The guidelines set out in the legislation are full of loopholes allowing accountants to get round such guidelines. Real profits will keep soaring and so will prices. All analysts recognize this fact. Professional fees, land speculation and interest rates are only some of the areas neglected by the legislation. Government spokesmen admitted themselves that inflation would pursue its ravages. Wages are conspicuous and easy to restrict. Therefore the government is going to go for us. Our salaries are going to be restricted but our expenses will go on increasing, not to mention those of the low-income people, of those on fixed wages, of retired people and of those on welfare. They

are going to be most affected by the government safety measures. We ignored the anti-inflation plan submitted by the Canadian Labour Congress. We substituted to it a program which is both unfair and unworkable. We, as Canadian workers and consumers, are opposed to measures which are directed against us as if we were the source of inflation. Why should we have to pay? Why would we be the only ones to pay the price of inflation?

It was a booklet published by the Labour Council of Canada which demonstrates that, after two years of operation, we were right about the Anti-Inflation Board.

Mr. Speaker, the Anti-Inflation Board has done more harm or bothered more people than it has helped. I wish to give you some examples. In *La Presse* of January 25, 1977 we can read:

"QUOTIDIEN" REPORTERS PROTEST AGAINST ANTI-INFLATION BOARD

The 25 reporters of the *Quotidien* of Chicoutimi and *Progrès-Dimanche* have been slowing down their work during the last week to protest against the decision of the Anti-Inflation Board to reduce their salaries negotiated with the employer.

The collective agreement had been accepted by both parties in November 75. It provided weekly salaries of $320 with an increase of $16 on January 1, 1977. The decision of the board freezes the wages at $292 a week.

The situation is the same at *Le Nouvelliste* of Trois-Rivières where reporters' salaries have been reduced by $10 to $15 a week and those of publicists by $30 a week.

Mr. Speaker, I have myself known a company in my riding which had reached an agreement with its employees' union but which is still waiting, Mr. Speaker, for a decision by the Anti-Inflation Board allowing the employer to pay the salaries provided in that collective agreement. The employees are still receiving the salaries paid before the collective agreement because the officials of the Anti-Inflation Board have not had time to ratify or study the file of the collective agreement signed by the employer and accepted by the union. That socialist scheme has then been nothing but an impediment to the economic activities in Canada; some press releases of the Anti-Inflation Board were quite ludicrous. On that matter, I wish to refer to the committee sitting of February 8, 1977 when the board announced that 124 Canadian companies had exceeded by $13,055,000 the limit set by the program of the Anti-Inflation Board.

Mr. Speaker, at the time when those 124 companies were blamed for having made a profit of $13 million, they made a big fuss about that discovery, that so-called control. It represents $100,000 per company but if you take into account their gross revenue, their invested capital and their investment needs, an average amount of $100,000 is a real joke.

I will mention only a few of these enterprises which were accused of making profits exceeding $100,000. These are: Alcan Aluminum from Montreal, Canada Cement Lafarge, Quebec Iron and Titanium from Sorel, Avon Products from Dorval, Domtar from Montreal, Northern Telecom from Montreal, Robin Hood Multi-Foods from Montreal, and so on. While 124 Canadian companies had made $13,055,000 in excess profit, 11 Canadian bank institutions were allowed to boost their assets by $30 billion over the last 12 months. If you

[Mr. Rondeau.]

review the balance sheets of the banks, you will find that the assets of Canadian banks have shot up by $30 billion in the last twelve months, when the gross national product averages $200 billion in Canada.

That means, Mr. Speaker, that the 11 chartered banks in Canada increased their assets by 15 per cent of the value of the GNP. What did the Anti-Inflation Board do against that outrageous situation? Zilch. It did not get involved with the banks because it is afraid of the sovereign power exercised by the banks now, for the banks have power over the governments they are financing, that power being that of creating money, which was conferred by this federal government, as was the case with previous governments. Small enterprises make a few millions in profit which they have to invest so as to keep their facilities and the economy operating. The Anti-Inflation Board did nothing but bother them with its bureaucracy while the banks were not asked any questions, for they have a sovereign power.

In the monetary field, which they were entrusted with by the federal government, they are allowed to lend 16 times their assets for each dollar deposited in a bank bearing 8 per cent interest to the depositor; in other words, the law permits the banks to extend a credit of $16 at 12 per cent interest, which works out to a gross benefit of 184 per cent of their assets. That explains the $30 billion more in banking assets during the last 12 months in a country whose gross national product is only $200 billion.

One the one hand, Mr. Speaker, businesses are being penalized while on the other they are being asked with the help of Department of Regional Economic Expansion subsidies to invest to create more employment and reduce unemployment and to implement new industries or modernize their operations. Benefits coming out of healthy competition are always reinvested and do automatically create employment because they favour production one way or the other. It is economic madness to penalize their benefits on the one hand while asking them on the other to expand and develop our economy and grant them money to encourage them to invest.

Mr. Speaker, I would rather trust statements of experienced businessmen which help out Canada's economic expansion than those of bureaucrat economists who have never run a business. In February 1977, the Chamber of Commerce of London, Ontario, provided the government with an interesting brief based on the following considerations and I quote:

● (2020)

[*English*]

We consider the chief causes of inflation to be:

Governments at three levels spending increasing percentages of our gross national product. Their spending in total should not exceed 37½ per cent, as stated in our January 1975 statement. Their programs whether statutory (or non-controllable) are not, nor should they be considered to be sacrosanct. They must be limited to come within the 37½ per cent guideline. An individual who spends beyond his or her means enventually goes broke. Likewise our governments, after decades of overspending, are fast going broke.

[*Translation*]

Mr. Speaker, I would only want to point out that in my own riding as well as in others, because it must be the same policy, the federal government raised the cost of certain services in the post office by 66⅔ per cent in January. The rental of post office boxes has gone up by 66⅔ per cent in the towns of Granby and Waterloo. The federal government is asking private businesses to limit their increases between 6 and 10 per cent but with respect to its own spendings, its own rates are going up by 66⅔ per cent. I therefore wrote a letter to the Anti-Inflation Board to bring this fact to their attention and I quote:

The following is to bring to your attention an increase of 66⅔ per cent that has been put into effect regarding the rental cost of the post office boxes—

—in the riding of Shefford.

Private business must limit the increase in its costs, but the federal government should at least set an example. Such a large increase on the part of a governmental service surely does not help the cause of the fight against inflation.

I then received a letter from one of the civil servants, Mr. Harold A. Renouf, from the Anti-Inflation Board, dated June 16, 1977, and I quote:

I regret to have to inform you that the charges levied by government services do not come under the Anti-Inflation Board.

Everybody has been put under control, but the government has been exempted!

Nevertheless, I share your opinion that the government should set a good example when it comes to price restraints and it should at least try to explain in details to the public the reasons for those increases when they eventually become necessary.

Mr. Speaker, we are still waiting for those explanations. I would like to go on quoting the paper of the Chamber of Commerce of London, Ontario. The second point is as follows:

[*English*]

Money supply increases. Money supply growth must be kept within the inflation rate and productivity increases initially, and gradually reduced to the level of productivity increases.

Wage and salary increases beyond the rate of inflation and productivity growth. Total remuneration packages must not exceed the inflation rate and productivity improvements.

Prices that are undisciplined by competition. We must ensure wherever possible that a healthy level of competition is effective throughout our economy.

[*Translation*]

Therefore, Mr. Speaker, I think that this is an extremely important point and the Chamber of Commerce of London, Ontario, states on several occasions that when we have healthy competition in business, we automatically have normal prices on the market. We now have an economy where small people are stifled through the Anti-Inflation Board, whereas the big multinationals are left free to operate on an independent basis, as we have seen during the last months and during the last few years. We have only to consider the Canadian situation regarding oil and gas. When, for example, we were paying 50 cents for a gallon of gasoline, the federal government was collecting a much lower sales tax on this gallon than it is doing now on a gallon for which we must pay $1. The main responsibility for inflation rests on the federal government, since it is in its interest to have prices rise to be able to collect higher taxes, to increase its expenses and also to have more money to meet its obligations, with the help of inflation.

When the Anti-Inflation Board was set up the Social Crediters said that is was going to be a fiasco, that it was going to be a joke, that it would only control little people, that it would not control banks, that it would not control multinational companies. We now know the result of the experiment. In a few days we will be paying at least $1 for a gallon of gas all across Canada. What did the Anti-Inflation Board do? It is all very nice to blame foreign countries, the Arabs, or Canada's oil product suppliers but it is the same thing in all other areas, even products manufactured in Canada because it is in the interest of the government to see salaries rise to produce increased taxes, higher revenues with the deficit budgets that we have had for the past several years.

Mr. Speaker, there would be other extremely interesting remarks to be made about inflation, but as the hon. member for Qu'Appelle-Moose Mountain suggested earlier, we are relying on the recommendations of economists who propose solutions that were obsolete before they were born. We are still applying solutions, theories that date back over a hundred years. On the one part, we advocate full employment and, on the other hand, we want to increase productivity through modern technology and science, while at the same time seeking to achieve full employment. Those are two contradictory principles in political economy, and there are ministers sitting on the government side who still rely on theories that have been proven to be fiascos. The inflation now was created altogether by an economic system, and particularly a monetary system controlled by multinationals, banks that forced this government and previous governments to give them the exclusive power to control the monetary and financial power in Canada. Wanting to correct inflation in Canada is like flogging a dead horse, unless we deal first with the monetary area, which is the prime cause, particularly since 1968, when this government lifted the interest ceiling on money rates in Canada.

● (2030)

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I appreciate the opportunity to take part in this debate. I am one member who has expressed some very strong opinions on wage and price guidelines. I was one of those members who campaigned most vigorously against the freeze proposed by the Conservatives in the election campaign of 1974. I also supported the introduction of the wage and price guidelines program in 1975. Tonight I take the position that the program should be continued for some time yet. I will be one member who later this evening will vote against the rather superfluous motion put forward by the hon. member for York-Simcoe (Mr. Stevens).

I opposed introduction of the wage and price freeze as proposed by the hon. member for Halifax (Mr. Stanfield) and the Conservative party in 1974, and I thought for good reason. If the same set of conditions prevailed today I would be just as vigorous in my opposition. If you remember, Mr. Speaker, in

1974 economic conditions were substantially different from the present day. The economy was short of goods, it was short of manpower, and it was short of money.

Mr. Gillies: Not true.

Mr. Milne: In terms of wanting to increase supply you had to produce more. If the hon. member for Halifax and the hon. member for Don Valley (Mr. Gillies), who I understand was the author of that program, had had their way certainly it would have been the most devastating thing that could have happened not only to the economy but to the small business community.

Mr. Gillies: How could we be worse off than we are today with one million unemployed?

Mr. Milne: At that time world food prices were rising. The world price for oil was going up by four. Industrial materials were increasing substantially in price. At that point in time a freeze would, in my opinion, have been very wrong. The problem was supply, with too many dollars chasing too few goods.

In 1975 conditions changed. I think hon. members on the other side should open their eyes. If they were in a situation where they went to a doctor with some kind of health problem one year and the doctor prescribed some kind of remedy and they went back a year or so later with a different problem, surely they would expect the doctor to view it differently. Hon. members opposite seem to have a one track mind on this thing; they wanted a solution that would answer all types of situations in the economy. In spite of the reputation of the hon. member for Don Valley as an economist, they are surely not being very realistic.

I supported the program that was introduced in 1975 for a number of reasons. There had been a downturn in the economy of many industrial countries in the world. We were experiencing, as the minister and a number of members on this side have said strongly, a period of inflation resulting from a psychological base where people expected and wanted more in anticipation of the future. But the fundamental reason I supported the program in 1975, and why I am going to vote to continue it tonight, is simply that the country cannot afford to lose its relativity in the export market, particularly the United States.

I think that is extremely important. Many members on both sides of the House have said we need to take a serious look at the structure of our economy, but in my opinion there has not been any meaningful or significant dialogue in that area. Therefore I think controls should remain until we have had the opportunity to do so.

As I have said, I will be voting against the motion. Prior to doing that may I say I have spent a fair amount of time surveying my constituents. The whole purpose of the government's publishing the book "The Way Ahead" was to initiate dialogue, and I chose to use it with various groups in my constituency. I want to put on the public record of this place that the business community, as represented in the city of Brampton by the Board of Trade, took my invitation seriously and held discussions on its contents. They surveyed their entire membership and reported back to me. I met with them to review the results of their survey amongst their membership, and fully two thirds of the business community of Brampton are opposed to the lifting of wage and price guidelines at this time.

As a matter of fact, a good half of the remaining one third said that they were in favour of lifting the program, but they qualified their answers. They said they would be in favour of removing the program at this time if there were a follow up agency which essentially had the same type of power; or that they would be in favour of lifting the program if they could be sure that inflation would not return or if they were satisfied that labour rates would remain more or less constant. If you interpret that as a qualified answer, you could certainly say that well over three quarters of the respondents in the business community of my city want me to stand here and say that they are opposed to the removal of this program at this point in time.

I represent a riding with a high percentage of secondary industry. Many industries in my riding are in the secondary manufacturing sector and rely heavily on exports of their manufactured products, mostly to the United States. Many people charged with the management of these plants have been to see me to express the deep concern they have as to how competitive they are. They realize that some of their customers are not buying as much as they traditionally have but, more important, they are really concerned as to whether or not they can compete in the market.

If we decided to be opportunists like the hon. member for York-Simcoe would like the House to be, and lift the controls immediately perhaps there would be some short term applause. But I will wager a fair amount that members on the opposite side would be on their feet in the question period within a week or two demanding that something be done to improve exports. I cannot think of anything more constructive that we could do in the long term than continue the anti-inflation program.

● (2040)

I have all kinds of representations from the business community I represent. On one hand they indicate we should have a higher tariff structure so that more products are not coming in, and on the other we should be financing and subsidizing industry a good deal more for them to be able to compete in the export market. That is just the same as a dog going around biting its own tail. There is no way to win in a situation like that. While it may be rather unpalatable in the short term, will cause some dislocation and will cause some levelled off expections, to give up our position in the export market is disastrous for the industrial sector of this country and therefore the employment sector. There are certain groups in our society who want us to terminate the program as of now, or very soon. I think it is worth toughing it a bit longer so that we will have that long term gain.

I represent a riding in which there is a high degree of construction. There are few other ridings in Canada where residential construction is as high as it is in the city of Brampton, or indeed, that there is as much commercial and industrial construction as there is in that area. One of the real causes of our inflation two or three years ago was the very high wage settlements that were obtained in the construction industry. The result of this was that in the short construction season builders were almost willing to pay any kind of settlement in order to have some labour peace during the construction season and to get on with their building.

One of the problems we are faced with in this country is the fact that companies are starting to say that they can build their plants in the States rather than in Canada, because they can get lower labour rates down there than they can in Canada. That is of concern because we are already giving up two of the greatest advantages this country has had, a labour rate that has been marginally lower than the United States and the fact that we have had a large quantity of low cost natural resources. Both of those points are not as much in our favour as they used to be.

You cannot expect some person in the labour force to be as happy with the same wage level here in Canada as he might be on the States side. His personal cost of living is higher in this country. One thing which makes it higher is the high cost of housing. It is impossible to buy any type of shelter in Brampton for under $50,000. It is not difficult to have a very modest home and pay $70,000. On the other side of the border, perhaps housing costs are not much more than half or two thirds of that. There is a lot of vested interest in terms of trying to get some of our construction costs down by playing it cool, and doing that by the continuation of the program.

I accepted an invitation from a large labour organization in my riding to go and discuss the whole anti-inflation program with them. It was a most interesting evening. They presented me with a very substantial brief. The content of that brief was similar to that which Mr. Morris presented to the government on behalf of the entire labour movement. Essentially they were making the point in that brief that there were three things they felt were fundamental to improving the economy of the country at this time.

They felt the number one problem we are dealing with is unemployment. The most significant way to deal with unemployment would be to remove the controls immediately. Their second point was that it was of vital concern to them that the housing program should be more vigorous than it is at the present time. Their third point was, rather than the budget giving some assistance to the business community to invest and expand, that those dollars should have gone into direct tax cuts and should have been accompanied by a substantial cut in personal taxes, as well as a government subsidy from the federal level to the municipal and provincial levels so that they in turn could reduce their taxes.

I think that is the fundamental problem facing the country. On the one hand we have the business community saying that the controls should remain. They are concerned about an upsurge in inflation, labour rates, and our role in the export market. The leadership of the labour community feel very strongly that the controls program should be removed immediately to address the problem of unemployment. Certainly the polls and surveys do not indicate that all the people who belong to the labour movement necessarily feel the same. Until we get some kind of a resolution or a meeting of minds, we have no other alternative but to continue the program for a period of time.

I am not sure either group would appreciate me saying this, but in some ways both groups were taking their positions for the wrong reasons. Some of the business community want the controls program to continue for a period of time so that they can have a lever on the labour rates they are obliged to pay. The labour group want the controls program to end, although they were very careful to say they wanted it to continue on the price side and not on the wage side. They wanted that so that they can tackle their unemployment situation and try to gain back those wage gains which they were obligated to give up because of the guidelines set up by the AIB and that part of the increase more particularly that was rolled back by the Anti-Inflation Board.

Yesterday, and a few times previous to that, the leaders of the business community and the leaders of the labour movement met with government, which puts us in an encouraging position. While there has been no meeting of minds on any real, firm commitments, by virtue of the answer given by the Prime Minister (Mr. Trudeau) today, the dialogue is coming closer and both sides are starting to see they have a mutual interest in solving this problem rather than taking diametrically opposed positions.

I met with the labour organization in Brampton. Obviously all of them did not agree, but I attempted to put the thesis to them that I thought controlling inflation was probably the most effective thing we could do to improve the employment situation. If we were to get out of the program in the short term and ignore inflation, in a year or so there would probably be a substantial lift in the economy; but perhaps four or five years down the road this would not work in their best interests and would not be in the best interests of the labour movement. We cannot continue to price ourselves out of the export market and out of our own domestic market, because one of the difficulties we have in this country is trying to compete for the domestic market against countries which can produce and come in over the top of our rather substantial tariff walls and still compete more than successfully in our domestic markets.

I want to say as sincerely as I can to the people in my constituency who belong to the labour movement that I do not in any way, shape or form downgrade or not take seriously the level of unemployment. Generally speaking, I represent one of the richer areas of Canada. When parliament, the newspapers and others were talking about unemployment, they were generally not talking about the city of Brampton and that part of the Golden Horseshoe surrounding the city of Toronto. This unemployment was generally in the maritimes, part of Quebec, northern Ontario and so on.

At the present time the unemployment rate in Brampton is as high or higher than it has ever been because secondary manufacturing is an area which has been hit. Before it was always a big paper plant that was shut down, but this time it is smaller plants that have difficulties exporting. That is why I make the point that it is very important that we continue the program so that we can solve the problem.

● (2050)

Mr. Gillies: The best solution would be to get rid of the controls.

Mr. Milne: I argue on the opposite side. I presume the hon. member for Don Valley has his name on Mr. Speaker's list. I will listen to his argument in support of lifting the controls, but I sincerely say to him and to the House that I take the opposite point of view because, without them, we would go back to high inflation in short term, and that would be in the worst interests of the people whom we try to help.

In terms of unemployment, we should take a careful look at the situation. It has been announced recently that unemployment is in the order of 8 per cent. That seems very high, and it is high, but when you analyse it further you find that there are some significant facts and figures within that statistic which should go on the record.

First of all, the last Statistics Canada figures indicate that the unemployment rate is now 7.9 per cent, down from 8.3 per cent, a substantial drop of some .6 per cent. I do not hear any members in the House, particularly on the opposition front bench, or the hon. member for York Simcoe, commenting on that. When unemployment goes up .5 per cent he is on his feet shouting what a disaster that is, but when it drops .6 per cent it seems to escape his notice.

When you look at the employment situation you find that the number of households that have no wage earner at all is less than one in four of those listing unemployment. In other words, when there is someone in the household who is unemployed, only one in four of those households does not have at least one or more wage earners earning income for that home. This has helped to soften the situation, making it less drastic than the 8 per cent would indicate.

There has been a very high entry into the work force, in spite of the fact that our economy has increased to provide a substantial increase in the number of job establishments. The problem really is the high entry rate. The high entry rate has been extremely high among females between the ages of 25 and 44. I certainly understand why so many of them are entering the work force. They are simply doing it because the cost of housing, the cost of food, and the cost of so many things that families buy these days has gone up so much that they need more than one income in the home to be able to maintain the standard of living they have, or indeed to begin to approach the standard of living they would like. I cannot think of anything that would help correct that situation any more than to control inflation the best we can.

I want to conclude by making a couple of other points. The point I was trying to make is that while unemployment is high and while, I am sure, every member of the House is concerned about it—I am particularly sensitive to it as it applies to my constituents—we now belong to a society where there is a multiple pay cheque in many households, and three out of four of the households where someone is unemployed do have someone in the labour force, and almost one in three have two or more people in the work force, in spite of the fact they may have one or more who are unemployed.

One of the comments that has been made very often by people discussing the AIB program—certainly to me in letters and conversation—is that the program is not fair on the basis that the cost of many of the things on which money is spent is not controlled. They speak about electrical energy, energy of all types, municipal taxation, and food. I would like to make a few comments on the food industry.

I think it is fair to say—as a matter of fact the Minister of Finance (Mr. Macdonald) has said it on one or more occasions—that the results of the program have been materially assisted by the fact that last year the price of food came down. One of the reasons that our performance under the AIB is not as good this year as it was last year has been the resurgence in the price of food. I support that resurgence because I have many constituents, friends and acquaintances, who are primary producers, and there are many farmers across this country who have lost thousands and thousands of dollars in the beef business. Unless they have some kind of relief by having the consumer pay a higher price for that product—and we hope there is a flow through to the farmer—we will be in a situation of having many producers out of business and, I venture to say, the price will double in a year or two because there will be a scarcity of beef. The same is true with pork.

I appeal to Canadians to accept the fact that, while they read in the paper of the excess profits that many of the food processors are making, there are substantial number of primary producers, particularly in the beef sector, who have suffered badly.

I want to congratulate the government on some moves it has made in the last little while that have been beneficial to the farm community. I think one of them has been the exemption of family farms from capital gains tax. Along with the hon. member for Battleford-Kindersley (Mr. McIsaac) I petitioned the Minister of Finance prior to the present budget to have the proceeds from the sale of land that is reinvested in land escape capital gains tax. This view was shared by most members who represent the farming community.

There is one more step that the Minister of Finance should take in this area, that is, that when a farm is incorporated for a variety of reasons, that it be allowed to roll over taxes on the same basis as an a non-incorporated farm. I have argued a number of times that only the land portion of the incorporation should have that advantage—I do not think the associated businesses should have it. Nevertheless, I want to make a couple of comments and to congratulate the government again

on publishing a statement on food policy, as it did a few days ago.

Some hon. Members: Oh, oh!

Mr. Milne: Hon. members can take it lightly, as does the hon. member for Don Valley, who probably does not have many cows in his region or who has not cleaned many stables.

A proper food policy—I am convinced that the document sets out the basic strategy for it—is in the best interests of both the producer and the consumer. Somehow most hon. members on the other side, and many other people, cannot seem to understand that a good food policy is in the best interests of both producer and consumer. Many people take the point of view that it is either to the advantage of the producer or it is a cheap food policy for the consumer, but in fact it is not. And I endorse the basic principles that are set out that we should support marketing boards, that we should have a good program of income stability, that we need to be sensitive on a short term basis in our tariff policy, and that farmers, because they deal with unpredictable situations such as weather, should have a good program of crop insurance available to them at rates they can afford.

As to marketing boards, they have drawn a lot of comments from many people. There are hon. members on the other side who take the position they want nothing to do with marketing boards, but that the government should be there.

An hon. Member: Talk to your Minister without Portfolio (Mr. Horner) about that.

• (2100)

Mr. Milne: I was on a platform with our new minister last Saturday, and I should point out to the hon. member opposite who is interjecting that the minister stood up and explained this policy. As a matter of fact he enunciated it very well indeed.

Hon. members opposite talk about how bad marketing boards are, but I do not see them standing up and introducing motions saying we should do away with the Canadian Wheat Board.

Mr. Hnatyshyn: Don't lecture me. Lecture the Minister without Portfolio.

Mr. Milne: There is a good deal of concern among farmers at the present time as to the future of marketing boards. This is reflected by many of the discussions in this House and in our committees. Whether the government is committed to marketing boards or not is being discussed. I want to tell hon. members that years ago I worked in the agricultural industry. I had a lot to do with the poultry business. I worked with farmers who had very large flocks of laying hens, and with farmers who were involved in the production of meat birds. I have seen some of the best farms in Ontario, which had been owned for two and three generations, turned over to feed companies.

One of the most humiliating things I ever witnessed in my life was to see a once proud farmer working for a feed company on a salaried basis, operating the farm he and his father previously operated.

Mr. Gillies: Look at some of your ministers and you will feel more humiliated.

Mr. Lumley: It's not as bad as looking over there.

Mr. Milne: That was a silly comment coming from a person who is supposed to be one of Canada's outstanding parliamentarians.

Mr. Gillespie: Who said that?

Mr. Milne: That is his opinion of himself.

Mr. Gillies: Would you give me the citation for that, please?

Mr. Milne: Read *Hansard* tomorrow.

At one time farmers had high volumes of product and extremely low prices. That drove producers out of business. When there was a scarcity prices were high, and it was always the small, genuine farmer who got hurt in that situation. The thing marketing boards have done, particularly in the poultry industry which is easy to get into on a short-term has been to bring stability. As a matter of fundamental policy I think the government should do everything it can to make us as self sufficient in energy, housing and food production as possible, and certainly one of the fundamental—

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

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise to speak in the controls debate this evening without any apology for the position of the Conservative party in 1974, and to remind hon. members present that had this party won that election the controls would have ended more than two and a half years ago.

Some hon. Members: Hear, hear!

Mr. Johnston: This debate would have been history. During that election campaign hon. members opposite tried to make 90 days seem like forever, but 90 days is a far shorter time than the time we have lived through this controls program already. I suppose one of the main reasons I rose tonight is that I was prodded by the remarks of the hon. member for Davenport (Mr. Caccia) the other evening, and again by the remarks made this evening by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne). Both those hon. members are marvellous revisionists. They are re-writers of history, but I remind them that it takes at least three decades for a revisionist to write with any credibility at all. To try to revise history after less than three years is an exercise, while carried out with a straight face by the hon. members opposite, that is not going to fool the opposition nor the public.

For the hon. member for Davenport to suggest, as he did the other evening, that during that campaign the difference between the Tories and the Liberals was a matter of judgment as to when to bring in controls and as to when they were necessary, is absolutely laughable. When one remembers the ridicule and the scorn which were poured on the policy presented by the hon. member for Halifax (Mr. Stanfield), then the leader of this party, on platform after platform across this country, it is difficult to believe that anybody could present such a picture of what it was all about three years ago in this House after such a short time, and claim to have any credibility at all. I remind the hon. member for Davenport that a week and a half ago he was pleading in this House for hon. members to have some faith in what he said and to believe him. For him a week later to make a statement with no shred of truth in it, I find it an amazing thing.

We know that the Liberal opposition to controls at the time of the 1974 election campaign was total. The candidate who ran for the Liberal party against me said that the whole idea of any kind of controls was foreign to his party, that its members could never bring themselves to it and that it was against every principle they upheld. It is astonishing to hear the speeches and the thread of thought of the two hon. members I mentioned, and of many more in the course of this debate.

It was interesting too that we were told in 1974 that any attempt at control, either in Britain or in the United States, had failed. I was sharply reminded of that a few months ago when a constituent sent to me an essay by Robert Lekachman entitled "The Specter of Full Employment", found in *Harper's Magazine* which described the American attempt at controls. Part of the essay reads as follows:

> Nixon preached the wickedness of interference with private markets, but nevertheless suddenly froze prices August 15, 1971, and followed the ninety-day freeze with a year or so of more flexible but astonishingly successful wage- and price-hike limitations.

Nowhere in 1974 could one find a quote like that in any literature. Oh, to have found that one during that 1974 campaign! It would have been worth a couple of thousand votes to have found somebody with the courage to have made that assessment of a 90-day freeze and then a gradual withdrawal and a phasing out of controls.

We must remember too the embarrassment of the Minister of Finance (Mr. Macdonald) as he struggles with this method of controlling which has been imposed by the Liberal government. It was not too long ago that the former minister of finance, the former member for Ottawa-Carleton, left this House because he could not bear the thought of having to try to explain away and pilot through a controls program in this House.

The former member for Ottawa-Carleton always wanted to look good, but there is no way to make the government and the Minister of Finance look good in their endeavour to make the controls program work. It does not matter how sweetly they sing the tune. I am reminded of an old folk song that the balladeers sing. Sometimes they do it seriously, and sometimes they do it as a burlesque. I think we have been hearing the burlesque part of it. That old song has in it lines about a cherry that had no stone, a chicken that had no bone, and a story that had no end. That line about the cherry that had no stone is pretty appropriate. I am not really implying that the government is rotten to the core, but I am certainly suggesting that the controls program was not firm at the core and that it ailed from its foundation. The public was very swiftly aware of that. The problem was the exception: the Crown corporations, the Post Office, companies with limited employment, and commercial rents.

Mr. Epp: The government has excepted.

Mr. Johnston: Food prices did not seem to matter at all. I am sure hon. members opposite had constituents, as I did, who did a marvellous job of watch-dogging prices. Some constituents sent me itemized day by day accounts of price increases after the imposition of the controls program. That information was passed on to the AIB. Phone calls were made. These constituents received phone calls, were thanked for their effort, and that was about it. They quickly realized that it did not make any sense to monitor prices like that because there was no way that the Anti-Inflation Board was going to tackle prices with anything like the same vigour it tackled some aspects of wages.

● (2110)

As far as the chicken that had no bone is concerned, the program is firm in all the wrong places and predictably soft in other places. It is an example of gross inequities. In my constituency those inequities were felt very sharply. About a year ago there was a strike by coal miners in the east part of Okanagan-Kootenay against the Anti-Inflation Board because of a settlement that had been mutually worked out with the company. Fortunately the company was in a profitable position because it had renegotiated its prices with Japan. The workers were aware of the change, yet their settlement was rolled back. They sent a delegation to Ottawa. They went on strike. They stayed out far too long, it seems to me, particularly when the jurisdiction of the board was being reconsidered. The board stood firm, however. I will get back to that company, Mr. Speaker, because of another matter which came up recently.

Then we had the example of the B.C. Teachers' Federation. Compulsory abitration, binding on both sides, had been imposed by law many years ago. Those arbitration boards met in the fall of 1975 and there was nothing in the provincial law at all to direct them to the Anti-Inflation Board. There was no clear indication of whether it had jurisdiction over them and their activities proscribed originally by law, so they brought down a legally binding settlement that had to be accepted by the school boards and teachers. Those settlements were eventually referred to the Anti-Inflation Board by the Minister of Education in the province.

I wrote to that minister and advised him that he should not lightly overturn the principle of arbitration under which teach-

ers' salaries had been settled in British Columbia for years and years. However, he did turn them over to the Anti-Inflation Board. At the same time representatives from the government of British Columbia were here in Ottawa arguing against the jurisdiction being extended to the province of British Columbia. The cases in the court are not settled yet.

I do not know why the Anti-Inflation Board, when it received that reference, did not simply quote British Columbia law and say the jurisdiction had not been settled and that it had no power. Instead, it got involved in the game of rollback and again it became fearfully complicated. It is not finished yet. It defies the imagination, Mr. Speaker.

When the minister was asked the question raised so eloquently in the House last week by the hon. member for Yorkton-Melville (Mr. Nystrom) about the very large increases given to company executives, the Minister of Finance, replying on behalf of the AIB and the controls program, said that some of those increases concerned contracts which had been entered into prior to the program. That goes a long way back but increases are only becoming apparent now. One would wonder why the same reasoning has not been applied to the B.C. Teachers' Federation when their increases were rolled back.

An interesting thing about the executive pay increases is that they involve an executive of the coal company which had made a joint presentation with the miners to the Anti-Inflation Board. It would be very difficult now for me to go back to those miners and try to persuade them that this program had worked well and had been equitable. They could hardly see it as anything but the roughest kind of justice. There was no backbone at all in the fight against prices, so the second line of the song is true.

I think one of the lines that should concern us most is "a story that had no end." After listening to the Minister of Finance and hon. members opposite who have had such a change of heart since 1974, it seems that the controls program will "have no end" as long as they are in power.

We must give credit to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who saw all this so clearly during the original debate on the controls program and voted against the bill on second reading to make the point that he feared the tendency of the government to extend power to the bureaucracy. As we listen to the debate we are reminded of his comments and how accurate they were.

The program has not really worked, Mr. Speaker. It is building in perpetual inflation. It sets limits that are accepted too readily by companies, and probably accepted too readily by workers who joined in this business of destroying the competitive position of industry.

The hon. member for Peel-Dufferin-Simcoe apologized for the lack of competition in Canada. It is just the result of Liberal policies over the last 20 years, Mr. Speaker,—an astonishing display of crocodile tears as he spoke of how badly the competitive position of Canadian industry has been eroded in recent years.

The governement is still absolutely rapacious in taxation. We have as evidence the new taxes on the life insurance industry. By and large the public is not even aware of what is about to be taken away from them, and still hope to cash in policies they have held for a long time. There is an appalling shift of policy here, Mr. Speaker.

The government has not shown restraint itself. Through a variety of programs it has shown there is almost a limitless fund of money which it has moved around programs like the Local Initiatives Program, Canada Works, Young Canada Works—the Minister of Manpower and Immigration (Mr. Cullen) apparently can always come up with another $100 million for another program.

A year ago we could not even afford a party on July 1. There was such restraint that there was not $500,000—not $100,000—not even ten cents to let off a firecracker. One wonders why suddenly this year there is $3½ million to celebrate Dominion Day, although they do not want to call it that. Most of the $3½ million is not going into fireworks but is going into brainwashing the Canadian people so that the name can be changed to Canada Day. This campaign has been launched under the guise of making a truly great celebration this year. If ever there was need of a celebration it was a year ago, but the government's timing is just as bad on this as on other issues.

The government is faced with an enormous credibility problem. Who can believe it? Who can accept its promises? I know there are some voices in the public saying that controls should remain; that is to be expected. It is a sort of "Prisoner of Chillon" syndrome that eventually the chains and walls become attractive. It means passing the load to the government or the AIB rather than fighting it out at the local level.

There is some fear around, because nobody knows what the government will do next after what it did when the 1974 election was over. Of course the program was ailing from the beginning because there was no mandate. If the Minister of Finance had reported to the Prime Minister (Mr. Trudeau) that the situation was out of control and the government's methods for combating inflation ineffective, the prime Minister should have announced his resignation and that of his government, because it had no mandate to do what it did on October 15, 1975. By imposing controls, contrary to what it had said in the election campaign, the government betrayed the Canadian people. Every time the hon. member for Halifax rises to speak in this House it reminds me of that day of infamy.

● (2120)

One suspects that the controls program is being maintained because the government is not yet ready to announce that it has made some kind of agreement with the Canadian Labour Congress. Mr. Speaker, the $10 million the government made available in that regard shocked some elements of the business community who know they were treated over the years as a source of revenue and were not considered for subsidies. One need not tell them to what use that fund will be put.

Remember, the Canadian Labour Congress passed a resolution calling for a one day national protest strike. That strike did not give a clear answer, for it neither worked well enough nor failed badly enough. Since that day of protest gave no clear-cut answers, the negotiations continued. At present the government wants to involve labour and business in a tripartite system or council which will advise in the running of the country. The government, or the bureaucracy, prefers that system to returning to the freer exchange of ideas to which we were accustomed before the controls program began, or to adopting what the Leader of the Opposition (Mr. Clark) proposed the other day in his speech on controls.

If the controls program extends to next spring, some 70 per cent of corporations will be locked into agreements, and some 50 per cent of all pay contracts will also be locked into agreements, and we shall see a period of relative peace between labour and industry. That will enable the government to campaign on the issue of national unity and ignore wage and price controls; for it is the great fear of the government that, if the people remember what happened in the 1974 election campaign, it may have to sell them the controls program. One knows the government would not dare go to the people and attempt to sell this program, not after the way it has worked these many months. Therefore the government will pretend that it has worked out some formula which will buy labour peace, at the price of democracy, particularly parliamentary democracy, and it will proclaim and advertise that program all over the country.

Suddenly those members who rose in their place to defend controls will not find anything good to say about the controls program, will claim it had to end on such and such a date, and will announce in its place the great, shining dream of industrial peace, security and safety. The government will campaign on national unity, and the Prime Minister will conduct a phony compaign along lines developed by himself against the premier of the province of Quebec. When I say this I think of the Prime Minister addressing that audience on the prairies and telling the people they are being "conned" by the premier of Quebec. Mr. Speaker, one thing is certain: If the premier of Quebec conned anybody in Canada, he learned from that consummate master, the Prime Minister.

Therefore I willingly stand up to say it is time controls ended, that unemployment is grim indeed, that business increasingly lacks confidence in the economy, that unemployment is rising ever higher and inflation is far from defeated, as anyone who goes shopping knows. The security the controls program promised is not the security on which one should rely. The government's program is different indeed from the program the Conservatives advocated in 1974.

I know the controls program in force since 1975 is not the program we presented. Ours would have finished by the time this one started, and conditions in this country in terms of inflation and unemployment would have been better than the sorry picture we now see.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, other members have said many of the things I wanted to say, perhaps better than I could have said them. I am pleased to participate briefly in the present debate, which is timely and on a subject which has affected each and every Canadian for the past 20 months, and for some time before that.

[Mr. Johnston.]

Having listened to the financial critic of the opposition, I felt he did not make his case in support of the motion before the House which calls for controls to end at the end of this month. Certainly the hon. member for Halifax (Mr. Stanfield) and other hon. members opposite and on my side of the House made good contributions in a timely debate, conducted at a high level.

I submit the controls program this government introduced some 20 months ago has worked well, and that fact has disturbed hon. members opposite deeply.

Mr. Malone: Tell us, how did it work well?

Mr. McIsaac: The government's program is considerably different—and hon. members are still confused on the point—from the freeze program the Conservative party advocated in the 1974 election campaign. The Canadian electorate, incidentally, rejected their program. The program this government implemented, reluctantly, in October, 1975, was of a different kind and embodied an approach different from that embodied in the program to which the electorate said no in July, 1974.

Mr. Ellis: It is devastatingly different.

Mr. McIssac: That is right, it is devastatingly different. It has succeeded, which disturbs hon. members opposite. Experience has shown that the government's controls program was timely and basically different in concept from the proposal put forward by the Conservatives in the last election campaign.

Mr. Paproski: Yes, it was different, just as the metric system is different.

Mr. McIsaac: Mr. Speaker, I want to say a few words on behalf of the many people in my province and constituency who are unorganized and, in essence, unprotected from the ravages of inflation. By those two terms I do not mean only the pensioners and those on fixed incomes, what we might call the poor class of society. I certainly include in the unprotected and the unorganized both the small businessman and the farmer. Often they are not necessarily poor. However, they would like to see this control program remain for a period of time until there is greater evidence of responsibility by labour and big business that we will not again be looking at the same kind of inflation balloon.

• (2130)

During this debate someone said that this program legislates inflation by setting out limits, guidelines, and so on. It is true in that sense. The limits become the minimum on one hand and the maximum on the other. In essence we are legislating inflation at a regulated level. Surely that is a good deal better than what we had before the introduction of the program.

The hon. member for Okanagan Kootenay (Mr. Johnston) made a fairly good case, pointing out the many inequities that have come about as a result of the application of this program. The fact is that it did interfere with what had come to be accepted bargaining processes, not only in British Columbia in teacher collective bargaining but in other areas of collective bargaining. Certainly there were rollbacks. In many cases there should have been rollbacks.

There is no doubt that there have been injustices in the application of the program. However, there were greater injustices before the program was introduced. Certainly there are far fewer injustices since the inception of the program than if the government had stood back and done nothing in that period of time. Injustices were rampant before the program was introduced.

I want to review briefly Canada's position in so far as other countries are concerned with regard to its fight against inflation. When you look at the figures for the 24 OECD nations you see that Canada has the eighth lowest rate of inflation. Some members say we should be doing better than that. Our economy is perhaps more sensitive to external fluctuation than most others. Therefore it is indeed a remarkable achievement to be eighth among the 24 member countries.

I do not believe there is any other country similarly tied to world trade that can boast of an inflation rate that is near our present rate of 7.6 per cent. Indeed were it not for price rises in imported goods, mainly food products such as coffee, tea, and vegetables, our rate would be below 7 per cent. The estimate is 6.7 per cent. I am sure hon. members will agree that 6.7 per cent is not very far off the government's second year goal for this program of getting inflation down to about 6 per cent.

There is still a challenge on the part of the government and all Canadians to try to bring the consumer price down further. Leaving the controls on for a longer period will allow this country to realize more quickly our goal, than by throwing out controls at the beginning of next month. The fact that we still face a rising cost of living index is sufficient to warrant a continuation of wage and price controls. There are other reasons for continuing this program for some period of time.

I hope members opposite will realize during the course of this debate that to adopt their approach and throw out controls at this time would be to give up some of the ground that has been gained. I say that not so much in terms of reducing price increases and a levelling of profits and wage increases, but in terms of the realization that seems to be developing, albeit too slowly to suit many of us, that we are getting a more responsible kind of attitude on the part of labour and big business. We have a further distance to go before most Canadians in my part of the country will agree they have learned their lesson and are prepared to follow it as far as open season is concerned for the average Canadian.

One of the major problems that forced the government to implement guidelines was a very rapid rate of inflation fueled by many areas within our economy. Labour costs and prices were running in circles. Prices were rising. There were settlements of 25 and 30 per cent, and demands for a great deal more. Obviously that kind of situation could not continue.

A further indication of the benefit of controls is apparent when one compares the rise in wages to contract settlements over the past couple of years. In 1975 the average settlement by contract was around 20 per cent. Hon. members realize that kind of average level of increase could not continue without repercussions, not only here in Canada but internationally, in so far as trade is such an important part of Canadian life. Already we are paying the price for some of those increases.

Following the introduction of price and wage guidelines in 1975, the situation began to change for the better. By the end of the first quarter of 1976, contract settlements dropped to the area of 15 per cent. As I say, it appears that we are making some progress in that sense.

Canadians deserve some congratulations. Without the support of the great majority of working people and small businessmen in this country over the past year and a half, we would not have had any success with this program. The achievement of bringing down the rate of increase of profits and wages was not secured without considerable restraint on the part of a great number of Canadians.

The achievements of this restraint psychology are also shown in the tremendous improvement in Canada's strike record. A couple of years ago none of us were proud of the number of manhours lost in this country due to strikes. In the first quarter of this year British Columbia was down by about 87 per cent in terms of the number of manhours lost by strikes compared with a couple of years ago.

The advantage of having the country's economy subject to fewer slowdowns and walkouts is obvious to everyone. These important figures indicate that the atmosphere in which labour negotiating is occurring today is a good deal healthier than it was a year ago. I say again that we need to improve that atmosphere considerably before we can afford to let go the wage and price controls.

● (2140)

Members opposite still accuse the government of failing to protect citizens from massive increases in prices. That is not true either, because the Anti-Inflation Board through its recent figures indicates it has forced some 461 firms to return almost $100 million in excess revenues to their customers or clients. In that sense the argument we hear so often from the NDP that business has not been forced to comply with the guidelines and principles is not borne out by the figures. The AIB has made 44 food processing firms give 30 days notice of selected price increases. This requirement to notify of price increases has been another positive feature of the program.

I do not think the country is yet ready for the lifting of controls. I would, of course, like to see us get out of this particular program, as far as that goes. But we did not have any pattern of policies for dealing with a high level of inflation and a high level of unemployment. The construction industry—

Mr. Ellis: The construction industry wants controls lifted right away.

Mr. McIsaac: I have no doubt about that. In that industry, instead of three or four year contracts for which they were bargaining before controls, they are now down to bargaining on a one-year basis, so they will be ready when controls come off to jump in and look for a larger increase. It is very debatable. The hon. member for Hastings (Mr. Ellis) can argue the case if he likes, but suppose controls were to come off tomorrow, how much more activity would take place within that industry? I believe that before we saw an increase in construction we would see a major increase in inflation.

Mr. Epp: How did you campaign in 1974?

Mr. McIsaac: I campaigned in 1974 in opposition to the freeze policy advanced by the former leader of the opposition. I supported wholeheartedly the government's stand in opposing the freeze advocated by the hon. member for Halifax. We were unable at that time to learn of any plans the Conservative party had beyond the 90-day freeze. I have listened to hon. members speak in this debate, as I have listened to them for the past year and a half, and I have yet to hear any concrete suggestion which goes beyond that 90-day freeze. Surely, the experience of the western cattle raisers with respect to the freeze on beef prices is a sufficient lesson. They do not need to be reminded of the effects of a 90-day freeze with no follow-up.

I do not think there is any region in Canada which is more vulnerable to inflation than is western Canada, or, to be more specific, the province of Saskatchewan with its economy based on agriculture. The prices we get for our products are determined primarily by international markets, yet our cost of production is directly affected by the rate of inflation both domestically and outside this country. The people of Saskatchewan want no part of another round of inflation. Indeed they are not happy about the present level of inflation.

The business community does not want controls thrown out of the window, yet that is what the opposition is really proposing today. It is true that some union leaders continue to oppose the program and I am sure they do so sincerely, even though selfishly in my view. They have even convinced the premier of Saskatchewan to reverse his position. The government of Saskatchewan, along with others, was advocating some kind of controls program; it was only a year or so later that the premier of the province, along with the premier of Manitoba, who had urged the federal government to act, reversed their stand on controls. It is my feeling that if you spoke to the premier of Saskatchewan privately he would say, despite the difficulties in his own party, that his first reaction was the right one and that controls ought to be left in place for some time yet.

The great majority of the people of Saskatchewan, regardless of their status in life, do not want controls lifted. Sure, they would like to make changes; they would like to see the economy operating in such a way as to make controls unnecessary. But all working Canadians have pretty well demonstrated their feelings on the issue as can be gathered from the kind of support they have given the program. Without the support of a whole host of people the program would not have worked. Hon. members opposite seem to forget that the Canadian people support controls.

The Leader of the Opposition (Mr. Clark) said not long ago in Montreal that although he would scrap the AIB he would give almost identical power to the cabinet or to some agency or department such as the Department of Consumer and Corporate Affairs. Well, it is hard, while calling for an end to the Board, to argue in favour of the program in another form. I am not sure whether the hon. gentleman has really thought that one out.

The people in my constituency are not yet convinced that either big business or big labour is really ready to show a more responsible approach to bargaining or to price setting, an approach which balances their own objectives against a measure of public responsibility. Certainly we need changes. We need changes in bargaining legislation. We need changes in the operation of the competition legislation. I was pleased to read the remarks of the Minister of Labour (Mr. Munro) in the debate yesterday spelling out some of the changes which are necessary in these areas.

When we can convince the public that there is a will on the part of organized labour to curb its tendencies to self-interest—some will call it greed—and procedures to accompany it, we shall be in a position to move fairly fast to phase out controls. Parliament itself should be convinced that it will not mean another expensive round of inflation and that the poor and unprotected will not once again be, as it were, in open season for big business and big labour. Further evidence is yet required that there is an adequate change of heart or attitude on the part of those involved. For these reasons I urge the minister to plan the phasing out of controls, but to do so slowly, bearing in mind the considerations I have mentioned.

There has been discussion about a consultative forum involving labour, business, and government. Those discussions have gone on for many years in different forms, with different variations in the concept. I hope that they are successful. I think that the chance of their being successful today is perhaps a bit greater than it has been over the last number of years.

● (2150)

The question then arises as to what kind of authority or what kind of power such a group should have, if any. I would just suggest to the Minister of Finance, the Minister of Labour and others who are working on that kind of an approach, that in all cases the final decisions relative to the Canadian economy should be made by the members of this House of Commons. This parliament should ratify the authority that is being considered for that consultative forum. I hope that when the Minister of Finance does decide to set a definite date to phase out controls he will be in a position to assure Canadians that he does have some measures in place to try to prevent a repetition of the kind of situation we were in as a nation, along

with others, in the summer and fall of 1975 when we implemented this program. I, along with many others who have spoken, would be happy to see the end of controls just as soon as possible. However, I do not believe we have arrived at that point yet.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, the hon. member for Vancouver South (Mr. Fraser) stated the clear case for the need for this debate when he very succinctly pointed out, as reported at page 6807 of *Hansard*:

> There is no good time for removing controls, but this may be the best opportunity we shall have for a long time. As others have said, our production is at 80 per cent of potential, one million are unemployed, but many forces at work in the economy militate against another wage and price explosion.

In addition, it is now clear that controls, far from being the solution, are part of the problem. The government's recent paper "Agenda for Co-operation" acknowledges this situation with its somewhat vague comments on decontrol and post-controls.

The Minister of Finance (Mr. Macdonald) in his remarks in this debate made this specific reference to food prices:

> Aided by reductions in food prices at first, and the food price reduction was important and significant, the rate of price increase has come down.

He added:

> It is fair to point out in connection with food prices that 60 per cent of the cost of the food going through to the consumer, at the retail level, is made up of the cost of processing, packaging, transporting and retailing, and the anti-inflation program was effective in restraining those cost increases so that the real cuts in prices were passed along to consumers.

I wish to deal specifically with those "real cuts in prices", or that other 40 per cent, that the minister suggests is the farmer-producer share of food costs. The minister and his colleagues in cabinet are suggesting the Anti-Inflation Board and the controls policy have been successful in holding down food price increases without the necessity of applying controls to primary agricultural products, which of course were excluded from the first. I suggest, however, that many farm commodity prices were effectively kept down by other means. Cattle and beef are a good example, and are the best indication that if food, notably beef, prices were indeed restrained in 1976 this restraint was at the direct expense of Canada's beef cattle industry. You might say that we, the beef producers of Canada—only about 2 per cent of the total population—gave the party. Today, half way through 1977, our total food cost is the lowest ever in terms of per capita disposable income, and you may be sure beef made a major contribution to the validity of that statement.

Let us examine some 1976 cattle and beef background facts. We reached our Canadian peak cattle population in September, 1975, and then the big cow sell down started, and extended right through all of 1976 and through the first quarter of 1977. This number reduction still continues, but at a reduced rate. It continues due to earlier severe drought conditions and general unprofitability in our cattle industry.

During the first quarter of 1976 there had been clear signs of a modest recovery in our Canadian cattle markets, with price rises of $5 to $7 per hundredweight. But for the remaining three quarters of 1976 disaster was allowed by this government to strike, not by action but by inaction, when a 60 per cent increase in offshore beef imports was allowed over the previous year, for a total of 188.5 million pounds. That is the equivalent of 535,000 live Canadian cows. By comparison we only marketed 600,000 Canadian cows in 1973 and 1974.

But here is the significant fact: that 60 per cent increase in offshore imports was allowed to come on to our markets on top of the largest domestic supply of beef in Canada's history. Furthermore, these imports were allowed to enter Canada at prices discounted 25 cents to 31 cents per pound below similar offshore shipments to the United States. This situation finally resulted in the infamous "six cent under rule" agreed to by industry, trade and commerce, and agriculture. That was a disgraceful sellout by the government of our beef trading rights.

Mr. Deputy Speaker: Order, please. It being ten o'clock p.m. it is my duty to interrupt the proceedings and to put forthwith the question necessary to dispose of the motion now before the House. The question is on the motion. All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

● (2200)

(*Division No. 52*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Brisco
Broadbent
Cadieu
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Elzinga
Epp
Forrestall
Fraser
Gauthier
(Roberval)
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hnatyshyn
Holmes
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacKay
Malone
Mazankowski
McCain
McCleave
McGrath
McKenzie

Montreal Break-In

Messrs.

Muir	Paproski	Skoreyko
Munro (Esquimalt-Saanich)	Patterson	Smith (Churchill)
Murta	Pigott (Mrs.)	Stanfield
Neil	Roche	Stevens
Nystrom	Rodriguez	Stewart (Marquette)
Oberle	Rondeau	Wise
Orlikow	Rynard	Woolliams
O'Sullivan	Schellenberger	Yewchuk—80.
	Scott	

NAYS

Messrs.

Anderson	Fox	Maine
Andras (Port Arthur)	Francis	Marceau
Appolloni (Mrs.)	Gauthier (Ottawa-Vanier)	Marchand
Baker (Gander-Twillingate)	Gendron	Martin
Basford	Gillespie	McIsaac
Béchard	Goodale	Milne
Bégin (Miss)	Goyer	Nicholson (Miss)
Boulanger	Gray	O'Connell
Caccia	Guay (St. Boniface)	Olivier
Cafik	Guay (Lévis)	Ouellet
Campbell (LaSalle-Émard-Côte Saint-Paul)	Haidasz	Parent
Caron	Harquail	Pearsall
Chrétien	Herbert	Pelletier
Clermont	Hopkins	Penner
Comtois	Isabelle	Philbrook
Condon	Kaplan	Pinard
Corbin	Lajoie	Poulin
Corriveau	Lalonde	Prud'homme
Cullen	Lamontagne	Railton
Cyr	Landers	Raines
Daudlin	Langlois	Reid
Dawson	Laniel	Robinson
Demers	Lapointe	Rompkey
Dionne (Northumberland-Miramichi)	Leblanc (Laurier)	Rooney
	LeBlanc (Westmorland-Kent)	Roy (Laval)
Douglas (Bruce-Grey)	Lee	Sauvé (Mrs.)
Drury	Lefebvre	Smith (Saint-Jean)
Duclos	Loiselle (Saint-Henri)	Stewart (Cochrane)
Dupont	Lumley	Stollery
Dupras	MacDonald (Cardigan)	Tessier
Duquet	MacEachen	Trudeau
Fleming	MacFarlane	Trudel
Flynn	MacGuigan	Turner
Foster		Watson
		Wood
		Young—102.

● (2230)

Mr. Speaker: I therefore declare the motion lost.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED COVER-UP OF BREAK-IN AT L'AGENCE DE PRESSE LIBRE

Mr. Speaker: Order, please. Leave having been granted to the hon. member for Oshawa-Whitby (Mr. Broadbent) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the clear possibility of a conspiracy concerning the concealment of evidence or the failure to take appropriate action pertaining to the illegal break-in by three police officers at l'Agence de Presse Libre on the night of October 6-7, 1972, accordingly the motion is as follows: It is moved by Mr. Broadbent, seconded by Mr. Knowles (Winnipeg North Centre):

That this House do now adjourn.

[Mr. Deputy Speaker.]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the motion we are debating at this late hour I consider to be, in terms of its subject matter, one of the most serious that has ever been before the House of Commons in the history of our country.

Some hon. Members: Oh, oh!

Mr. Broadbent: Already we are getting howls from the other side, presumably from those who are quite indifferent to the principle of the rule of law. We will see if, after my comments and those of other hon. members on this side of the House, their arrogant dismissal of that concern remains as firmly established as it is now.

The matter has two important aspects directly concerning the illegal break-in that took place at l'Agence de Presse Libre on the night of October 6-7, 1972. First it refers to "the clear possibility of a conspiracy concerning the concealment of evidence" pertaining to that break-in by three police officers. Second, it refers to "the failure to take appropriate action" concerning the same break-in. Each of these is important; each is serious.

A normal break-in in our country, that is, one by ordinary citizens of the land, is serious enough.

Mr. Speaker: Order, please. If there are hon. members who wish to converse with each other they may want to do so behind the curtain in order to allow the hon. member to be heard.

Mr. Broadbent: When the break-in is the result of deliberate planning and organization by Canada's police forces at every level, however—federal, provincial and municipal—it should cause every Canadian deep concern precisely because it involves the very people we hire to enforce the law, the very people who are there allegedly to protect our persons and property. Therefore my accusation about conspiracy, which was not made lightly, to conceal evidence or to fail to take appropriate action in such a serious situation, is also a matter that ought to be of deep concern to all Canadians devoted to liberty and to the principle of the rule of law in our country.

I regret to say that the statement made today by the Minister of Supply and Services (Mr. Goyer) did nothing to cast doubt on the accuracy of the two-part motion which I submitted yesterday. Indeed this afternoon's statement confirmed and underlined its essential truth. I want to deal with that, Mr. Speaker.

The matter refers to the deliberate concealment of information at relevant times by the Royal Canadian Mounted Police, and the failure to take appropriate action when it was required by the Minister of Supply and Services at the time of the break-in in Montreal when he was solicitor general, by his

successor, and by the Prime Minister (Mr. Trudeau) himself. If anything is certain from the minister's speech this afternoon, it is that he has confirmed those conclusions which I originally drew from the statement the present Solicitor General (Mr. Fox) made in this House last Friday. I now want to say precisely why I feel as strongly tonight in reasserting the accuracy of the contents of that motion as I did when I made the motion itself.

First let me deal with the issue of concealment of evidence by the RCMP. Let me outline the scenario of events which make this conclusion inescapable.

We had the break-in on October 6-7, 1972, by three police forces in Canada; a disgraceful act. On October 10, 1972, RCMP headquarters in Ottawa were informed by the RCMP in Montreal that the RCMP had participated in this illegal break-in. Mr. Speaker, it is at this point that we get the first act of irresponsible concealment by the RCMP in Ottawa. Surely when they heard from their own office in Montreal about the violation of the Criminal Code of Canada by the RCMP it should have been brought to the attention of the minister immediately; it was not.

On October 12, 1972, the then minister of justice in Quebec, Mr. Choquette, denied in public that there was any police involvement in the break-in. He categorically said that the three policemen representing the city of Montreal, the province of Quebec and all the people of Canada in the RCMP, were not involved in that break-in. At the very time Mr. Choquette was making that public declaration, RCMP officials in Ottawa knew it was false.

It is therefore at this point that we get the second clear illustration of concealment of relevant information by the RCMP headquarters in Ottawa. They did not inform the then minister of justice of the province of Quebec that what he was saying to the people of our country was false. They did not say that the minister of justice in one of our provinces was misinforming Canadians from coast to coast about the behaviour of three of their police forces. They remained silent. Mr. Speaker, that can only be described as a conspiracy of silence. I say that seriously and, I think, accurately.

Some hon. Members: Hear, hear!

Mr. Broadbent: Then, when a registered letter from the groups affected by the illegal break-in arrived at the office of the then solicitor general on October 11, it was sent off to the RCMP to be answered. After two weeks, on October 26, the RCMP sent a letter to the then executive assistant of the solicitor general recommending what can only be described as an extraordinarily irresponsible course of action: The recommendation that came to the then Solicitor General of Canada from the RCMP was that an accusation made about illegal involvement, illegal activity of the RCMP, should not even be acknowledged. Surely this is a clear dereliction of responsibility on the part of RCMP headquarters in Ottawa.

Finally at a meeting on November 6, 1972, with the minister, held to discuss the "no acknowledgement" recommendation, if I understand the purpose of that meeting, it appears that once again the RCMP neglected its duty. According to the then minister, and this is not refuted by the RCMP, the past commissioner of the RCMP did not even in the discussion of the letter making the accusation, tell the minister that the RCMP itself had taken part in the break-in and had indeed broken the law. That, surely, is perhaps the most shocking and disturbing culmination of a series of acts of irresponsibility.

● (2240)

There was a meeting with the minister to discuss a recommendation, an irresponsible recommendation which the minister did not even acknowledge. There was a letter sent by innocent Canadians making allegations about a break-in. There was in that meeting no acknowledgement by the minister himself that the RCMP was involved and had broken the law. The only qualification one can make to this last, sad statement is the claim made by Mr. Higgitt and Mr. Starnes, that they "Would be surprised if they had not verbally" advised the then solicitor general of the break-in. In passing, I must say I find it strange that neither Mr. Starnes no Mr. Higgitt can recall with greater precision whether a verbal briefing was made on this point.

Mr. Woolliams: It is a case of bad memories.

Mr. Broadbent: Clearly, there is more than one person around with a bad memory. It seems strange to me that the statement provided by the present Solicitor General should link the two men together with an assertion that they seem to recall that it would have been normal practice for them to have briefed the minister verbally, but neither one of them remembers with a greater degree of precision whether the briefing actually took place. Surely the matter needs further investigation.

In any case, the general picture of RCMP headquarters irresponsibility concerning this break-in ought to be abundantly clear by now. They tried all along the way, from October 10 to November 2—I beg your pardon, I should have said November 6—to conceal the criminal act in which their own members were involved.

I come now to ministerial responsibility, the second part of the matter now before the House.

Mr. Woolliams: You mean ministerial irresponsibility.

Mr. Broadbent: I want, in discussing this point, to refer not only to the present Minister of Supply and Services, the former solicitor general, and to the present Minister of Indian Affairs and Northern Development (Mr. Allmand) his successor, but also to the Prime Minister. Both the Prime Minister and the present successor of the Minister of Supply and Services have been neglected in this catalogue of failure up to this point, and something needs to be said about both.

Let me begin with this point. The procedure for dealing with complaints about the RCMP is shockingly disgraceful, as was described by the present minister and his predecessors and documented in the case of the break-in at l'Agence de Presse Libre in October, 1972. The procedure illustrates in the clear-

est possible way that, when dealing with complaints about the RCMP, we are dealing with a situation in which a person is asked to be judge of his own case, and I want to show precisely what I mean by that. The letter which arrived in the then minister's office in which an allegation was made, even if it was in the form of a question, in October, 1972, was not referred to the senior civil servants of the minister's department to be dealt with, or some other body apart from the RCMP, to be dealt with. No. As soon as the letter arrived it was shuffled off by the minister's executive assistant to the RCMP.

The letter, which was alleging the most serious kind of wrongdoing on the part of the RCMP, was sent off to the RCMP; they were to draft the reply to it. That is the procedure which existed in the then solicitor general's department for dealing with complaints about the RCMP. Surely such a procedure is basically, fundamentally wrong. That, at least, has since been admitted.

Second, I want to say something about the letter dated October 26 and sent to the then minister's executive assistant recommending, incredibly, that the solicitor general should not even acknowledge the letter sent to him by those innocent Canadians inquiring if the RCMP was involved in the break-in. Mr. Speaker, the letter of October 26 sent to the executive assistant of the then solicitor general was discussed at the meeting of November 6; and at that meeting, taking part in the discussion, was the former commissioner of the RCMP, Mr. Higgitt, and Mr. John Starnes, head of security services. Mr. Speaker, outsiders may still have reasonable grounds for doubting if the minister was told by the RCMP of their own involvement.

Unfortunately, there are still reasonable grounds for doubt, and I say this for this reason: Last December, as I said earlier today, during a long interview with a responsible reporter working for a Vancouver newspaper, the minister said he could not remember at all with precision whether he had been told. Since then his memory has sharpened and he now says clearly he remembers that he was not told. And there is some reason for fair-minded persons having doubt. However, both Mr. Starnes and Mr. Higgitt imply that there was a verbal briefing.

Indeed the current issue of *Maclean's* magazine which went on sale in the streets today contains a statement reportedly made by Mr. Higgitt, in which he refuses to comment on the honesty of the then solicitor general's statement. Mr. Higgitt is quoted in the issue of *Maclean's* magazine which went on sale in the streets today as saying, "I don't want to deal with that," the "that" referring to the honesty of the former solicitor general's statement that he was not informed at the November 6 meeting of the break-in. I say in all seriousness that there is reason for saying that Canadians, whether in the opposition, on the government side of the House, or outside politics entirely, still have reason to doubt the statement the former solicitor general made in the House this afternoon. In any case what is beyond all doubt, in my view, is that the minister's behaviour at the time was totally inadequate in that he did not ask the perfectly relevant, perfectly sensible question of Mr. Starnes and Mr. Higgitt at the time, namely, "Did you or did you not"—with reference to the RCMP—"take part in the raid in Montreal on the night of October 6-7, 1972?"

Mr. Goyer: It is so easy to say.

Mr. Broadbent: Mr. Speaker, I am afraid it is an important matter of judgment, and in politics we all make judgments. The minister says it is so easy to say. I am not sure it is easy to say. It is certainly a judgment which I reached. I like to think that if I had been in that position it would have been the most elementary, straightforward question which would have occurred to me.

Mr. Goyer: Tough luck.

Mr. Broadbent: I say this particularly since the minister said this afternoon that when the RCMP recommended that he should not reply to a letter which arrived in his office concerning the break-in, it was the first time he had received such a recommendation from the RCMP. If I heard his answer correctly in the House this afternoon, that is indeed what the minister said. Never before had the RCMP recommended to him that he not reply to a letter. If I got such a recommendation, particularly for the first time, it would occur to me to ask why ought I not to reply to the serious allegations. If nothing else prompted me to ask the question, that would have done it.

● (2250)

I want to go further and talk about other examples of inappropriate action or no action at all. On March 16 of last year as a result of RCMP Constable Samson's testimony, the then solicitor general, the present Minister of Indian Affairs and Northern Development, learned, he said, of the break-in for the first time. Also, the Minister of Supply and Services learned of the break-in for the first time.

What did the minister of last year do when he heard that the RCMP were involved in an illegal break-in? When he heard on the basis of testimony given by an RCMP constable in court that there was illegal activity by the RCMP, what steps did the present Minister of Indian Affairs and Northern Development take?

What the minister did was offer the full co-operation of the RCMP with the Quebec inquiry which was under way into this situation. Second, he spoke to the Prime Minister and informed him of this illegal break-in. Regretfully, neither the minister nor the Prime Minister did anything else at that time of any significance. More specifically, they did not initiate a serious internal inquiry into the whole sorry situation which, as I have shown, reveals at best shocking neglect by the then solicitor general and cover-up action by the RCMP at the highest levels.

A year ago when the Prime Minister and the immediate past solicitor general learned of the illegal activity, they sat down with the present Minister of Supply and Services and had a chat. I am not sure what each said to the other.

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

Some hon. Members: Continue.

The Acting Speaker (Mr. Turner): The rule states 20 minutes for all speakers. Is it agreed that the hon. member have extra time?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It is so ordered.

Mr. Broadbent: I appreciate the consideration of hon. members and I shall do my best not to abuse it.

At some point we learned that they had a meeting with each other and with senior officials from the RCMP. However, they did not set up the kind of internal inquiry I would have thought would have been self-evident as being necessary for those who were concerned with the principle that the RCMP should not only enforce the law of Canada but obey the law like everyone else.

Surely the former solicitor general should have made such a proposal at that time to the Prime Minister. If he did not, the Prime Minister on his own initiative last March should have started such an internal inquiry into the RCMP.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister told me yesterday in the question period that, following the Samson revelations last March, what he did was meet with the present and former Solicitors General and did nothing else. That was as recent as yesterday's question period. Nothing that the present Solicitor General said in his presentation in the House last Friday, or in the statement this afternoon by the Minister of Supply and Services, suggests that the Prime Minister and the present Minister of Indian Affairs and Northern Development did anything more than this.

Just in case someone makes an irrelevant point that they considered a public inquiry at that time and dismissed it, I want to say that is not what I am talking about. That would have been necessary and desirable. They should have proceeded with that public inquiry. If they rejected the public inquiry for the spurious reasons given here in the last couple of days, they should have at least had an internal inquiry to find out what was wrong. They should have found out if it was at the level of former Commissioner Higgitt that a cover-up was taking place. Instead they sat out the whole process.

We have here a sad mess indeed. We have law breaking and concealment by the RCMP, an institution which Canadians from coast to coast and of every age have grown up to admire, an institution composed in the main by men and women overwhelmingly committed to honesty and decency.

Some hon. Members: Hear, hear!

Mr. Broadbent: Unfortunately there is this serious blotch on their record. At the same time we have a government that has at best been incompetent. The minister of the time failed to ask the relevant question. When his successor learned of the criminal activity, he did not initiate an internal inquiry. When the Prime Minister learned last March that something was wrong involving criminal activity in the RCMP, he did nothing about it. It is clear that what we need at this point in the proceedings following the Solicitor General's speech last Friday and the former solicitor general's question of privilege today is a public inquiry.

Some hon. Members: Hear, hear!

Mr. Broadbent: We need a public inquiry to determine the exact degree of wrongdoing by the RCMP. I am reluctant to have to emphasize this point, but we have had brought before this House, most notably by members in the Conservative party, a number of cases, involving many cities and provinces in this country, of RCMP involvement which clearly suggests the possibility of wrongdoing.

We do not know if the case of the break-in in Montreal is an isolated incident. We need an inquiry to clear up this situation so that Canadians will know whether it is an isolated incident or a general pattern. We need an inquiry to look at the political responsibility at the time to clear up in an unequivocal fashion whether the former solicitor general knew only what he says he knew or if, because of statements made by Mr. Higgitt, Mr. Starnes and others, he knew more and has forgotten in the period that has since elapsed.

On behalf of my party I have called for this inquiry for some time. I regret to say after listening to the ministers that the strong desire of all Canadians to maintain the principles of liberty, and particularly the principle of the rule of law, still makes it absolutely essential that the call for the public inquiry be agreed to by the government.

Some hon. Members: Hear, hear!

• (2300)

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, it is well known to this House that there is not a wide range of questions upon which the leader of the New Democratic Party (Mr. Broadbent) and I are in complete agreement, or on which both parties are in complete agreement. But we are in complete agreement now with regard to the need for a full public inquiry to remove the stain of suspicion which is creeping over the Royal Canadian Mounted Police, a force which throughout its long history has earned the respect of Canadians, and the stain of self-perpetuating suspicion which spreads over the government not only in this case but in too many cases of this kind where its conduct has been called into question and where the response has been to seek to avoid inquiries and instead settle matters by intimate conversations within the cabinet in an attempt to keep from public view information which the public has a right to know.

Some hon. Members: Hear, hear!

Mr. Clark: I would hope there would be some members on the government side who care enough about the reputation of the police forces of this country, who care enough about the principle of ministerial responsibility, who care enough about the rule of law and about the reputations of their own colleagues, individually and collectively, that they too will put aside partisanship and join us in the demand for a public inquiry which will let the facts of this case be known.

I have to say that one of the most offensive aspects of the statement on privilege made today by the Minister of Supply and Services (Mr. Goyer) was the cloying tribute he paid to the RCMP when he said, in effect, that he did not ask the questions he should have asked because he could not believe the RCMP would ever do such a thing. In effect the minister was saying he would speak no evil of the RCMP. He went on, being entirely consistent: he would speak no evil, his actions showed he would hear no evil, and that he would see no evil. He has brought to the House of Commons today, unfortunately supported by the Prime Minister (Mr. Trudeau), an entirely new, meaningless, and unacceptable concept of ministerial responsibility. In effect he told the House he is responsible only for what he knows, that he will go to any length at all to know as little as possible. That, Mr. Speaker, flies in the face of the principle of ministerial responsibility. It is unacceptable to the House, and it should be unacceptable to ministers and to members generally of the party opposite.

Some hon. Members: Hear, hear!

Mr. Clark: The leader of the New Democratic Party has reviewed most of the chronology of events but I want to address myself to some of the questions which remain to be asked.

We want to know why the minister was not advised. Was it, and this is a legitimate question, because he arranged not to be advised? Was it because the RCMP did not trust him sufficiently to advise him? Would it be the case that if we had a chance to hear the testimony of Mr. Higgitt and Mr. Starnes we would learn that he was in fact advised to a greater degree than he claims to have been advised? We do not know. We have the word of the minister. But we do not have the word of the others involved and, if the government has its way, we shall be denied the right to hear from the others who were involved and they, in turn, will be denied the right to defend themselves, to defend their reputations, to tell their part of a story which goes to the root of responsible government in this country.

The government House leader is in the Chamber and I want to pay him the tribute of making at least a passing reference to the spurious argument he raised again today, as he does so often with such great vigour whenever the government is in trouble, by suggesting that the only way in which there could be an investigation was if some member of parliament were to lay a charge. The minister well knows that the problem here is precisely that we do not have evidence on which we can lay charges. What we do have here is a situation which, on the face of it, raises questions which any responsible government would wish to be answered privately and publicly.

This matter, as the House knows, was first raised a year or more ago by my friend, the hon. member for Central Nova (Mr. MacKay). The government has tried consistently to cover it up, to push it aside, to avoid inquiries, to put forward its own versions by way of statements by the Solicitor General (Mr. Fox), or statements such as we heard today as to what happened. But inconvenient facts still stand out and demand explanation; sometimes taken together and sometimes singly they cry out for an inquiry.

I want to go over some of the problems which remain for all of us who are serious about the reputation of the police, about the reputation of government, about the reputation of our institutions. One of them relates to the remaining contradictions arising from just what was said at that meeting on November 6, 1972, between the then minister of supply and services, Commissioner Higgitt, and Security Services Director Starnes. Today the minister simply repeated the statements made by the Solicitor General on Friday. He categorically—that was his word—denies being told about the illegal break-in at that meeting. Neither Mr. Higgitt nor Mr. Starnes remembers telling the minister about it but, as was made clear by the Solicitor General, they do say they would be surprised if they had not done so verbally. I think it would be very difficult to conceive of a more direct way, in the circumstances, by which these two gentlemen could call into question the testimony of the then solicitor general than to use the language which was quoted by his successor in his statement on Friday.

This was, and still is, centrally, an issue of credibility. Who is right? Is it the minister who flatly denies being told, or two senior public officials who say they would be surprised if they had not told him? I believe this becomes more urgent in the light of the comment by Mr. Higgitt in today's *Maclean's* magazine that he will not deal with a question related to the veracity of the Minister of Supply and Services. We in the House of Commons, and the people generally, should be in a position to judge these questions, to judge the actions of the police. But we have no way in which to judge even the relative weight we should attach to these contradictory positions. There are no depositions, no sworn statements, no evidence under oath.

What we have is a direct statement from the Minister of Supply and Services which, it is true, is a step forward from the Solicitor General simply reporting what the Minister of Supply and Services told him. But as to Mr. Starnes' and Mr. Higgitt's version of that meeting we still have only the Solicitor General's report of what they had to say.

The Minister of Supply and Services insists, of course, that we accept his version although he and his colleagues seem determined to ensure that we shall have no opportunity to hear directly from Mr. Higgitt or from Mr. Starnes—the only way in which we can hear directly from them is through a public inquiry. By insisting that we accept his version of what took place the minister is, in effect, making very serious charges against Mr. Higgitt and Mr. Starnes. He is casting doubt upon their assertion that they would be surprised if they had not told him and, more seriously, is accusing them of a serious

dereliction of duty by failing to tell him about the break-in. They deserve the right to reply so that the whole story of what went on in that conversation and in that relationship might be heard. That is one of the inconsistencies between the positions of Mr. Higgitt and Mr. Starnes and the then solicitor general.

● (2310)

Another very important question which remains wide open has to do with the holes in the explanation of the Minister of Supply and Services as to why he never asked whether the RCMP had in fact engaged in an illegal break-in. By his own statements the Minister of Supply and Services admits he had had several briefings—not one, not a rare briefing, but several briefings—in regard to RCMP surveillance of the APLQ, and that he had had those briefings before the break-in. Therefore he was well aware of the interest of the force in this organization.

He also had a letter from the APLQ asking specifically whether the RCMP had been involved. Despite all that, despite his knowledge that there had been surveillance, and despite the receipt of a letter alleging involvement by the RCMP, he tells us that he never asked the most obvious question of Messrs. Higgitt and Starnes. He never even asked: "Were you gentlemen in fact involved?"

What were his reasons? He said his first reason was: "I found it hard to believe the RCMP could have participated in an illegal break-in". That is one of the most gentle ways of asking the police, of asking the public service, to carry the can for something a minister should have done.

The second reason of this minister interested in evidence was that he had seen in the press the statement by the then minister of justice of the province of Quebec, Mr. Choquette, denying any police involvement. On those very slim grounds the minister now asks us to believe that he was justified in not even asking what the RCMP, whom he knew to be investigating the APLQ, knew about the break-in.

This explanation begs another question. If the minister was so sure that the RCMP were not involved, that he did not feel any need to raise the question, why did he not respond to the letter? Surely, with all the certainty that he felt in the matter, he should have been eager to lift any suspicion from the force by giving the APLQ a flat and inequivocal answer to their inquiry. But he did not do that. What the minister is saying, then, is that he was so sure of the situation that he did not even ask. But he was not sure enough to answer a simple and direct question from the agency whose premises had been broken into.

The other matter brought out under questioning by my colleague from Central Nova this afternoon has to do with the extraordinary fact that the minister himself admitted today that this was the only occasion on which he had received instructions from the Royal Canadian Mounted Police not to answer a letter, not to act in that way. If this was such an extraordinary action, why did he not ask the simple question: "Why are you suggesting that I act in this way?" That is a question which is wide open and which the minister has not addressed. Any minister who honoured his responsibility to the people of Canada would have said: "Gentlemen, you are asking me to deviate from procedure. Why? What is going on here?" But this curiously uncurious minister did not even ask that question.

We have here as well a whole new concept of ministerial responsibility. We witnessed again this week both the Prime Minister and the Minister of Supply and Services asserting a concept of ministerial responsibility which runs completely counter to established practice under our parliamentary system. Put in its simplest form, this Goyer-Trudeau doctrine is that a minister is responsible only for those matters with which he was directly involved or had direct knowledge of. It also appears to be an implicit part of this doctrine that, on potentially embarrassing problems, ministers should go to extraordinary lengths to avoid any direct knowledge.

Mr. Baker (Grenville-Carleton): Bystanders.

Mr. Clark: That is right. They do not want to be responsible ministers; they want to be bystanders so they can get out of the way when the flak comes. That makes a mockery of our parliamentary system. Only this week, in ruling that members could not direct questions on this subject to the Minister of Supply and Services, Mr. Speaker set forth as established practice the doctrine that a minister is answerable for all matters that fall under this portfolio, whether or not he knows directly about them, or indeed whether they occurred before he became the responsible minister. It was on that basis that the present Solicitor General was responsible for answering questions in regard to events which occurred some four years before he assumed that portfolio. Yet the Minister of Supply and Services refuses to accept responsibility for events which occurred while he was solicitor general of Canada and, indeed, about which he had a least partial knowledge, because he admits to having known, in advance of the break-in, about the RCMP surveillance of the APLQ offices.

The fact is that in claiming that he knew nothing of these matters, and in asking no questions about them, the Minister of Supply and Services is as guilty of gross ministerial negligence as he would have been had he counselled and approved of the illegal break-in.

Some hon. Members: Hear, hear!

Mr. Clark: Ministers of the Crown just cannot have it both ways. They are quite prepared to accept responsibility for all of the positive things that government departments do. They will go forward and claim credit at the drop of a hat. But ministerial responsibility applies not just to the popular things that a government does; it applies also to the less popular and less positive things that a government does. It applies to mistakes or to errors by officials who are totally dependent upon their ministers to speak for them in parliament.

It is simply not acceptable under our system for a minister to slough off responsibility to senior officers of the RCMP. To say that he did not know and, even worse, to offer the House the lamest explanation of why he never asked, is no excuse at

all. The minister must accept responsibility for the break-in. That is what ministerial responsibility is all about. He must accept responsibility for the cover-up. And he should not, as he has on too many occasions, let senior public servants, in this case police officers, carry the can for his negligence and then deny them a hearing.

Mr. Goyer: Carry the can for their mistake.

Mr. Clark: The minister says "carry the can for their mistake". That is precisely the point. If they made a mistake—and it is not clear whether it was his mistake or their mistake—then under our system of government it is the minister who is responsible. That is what ministerial responsibility means.

Some hon. Members: Hear, hear!

Mr. Paproski: Take it like a man, Goyer, not a jellyfish.

Mr. Clark: The minister shakes his head. We can only presume that the reason he was in Africa these last several weeks was not simply to avoid questioning in this House; perhaps there was something going on in his present department that he did not want to know about and for which he does not want to take responsibility.

An hon. Member: Make a charge.

Mr. Clark: The charge I will make is that that is completely consistent with the absolutely inadequate concept of ministerial responsibility which has become the hallmark of this government and, unfortunately, become the hallmark of that particular minister.

Parliament and the people of Canada need a public inquiry into this matter. We need a federal public inquiry. The Prime Minister has argued against a federal inquiry on a variety of grounds which are either irrelevant, invalid, or both.

• (2320)

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. Leader of the Opposition (Mr. Clark) that his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Mazankowski: Iona Campagnolo said no.

Mr. Railton: I said no.

The Acting Speaker (Mr. Turner): Order, please. Is there unanimous consent of the House for the hon. Leader of the Opposition to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Oh, oh!

Mr. Clark: Not only do they refuse an inquiry, they refuse debate.

Mr. Malone: A test pilot for the Canada broom company.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, perhaps I should have preferred to hear the last remarks of the Leader of the Opposition (Mr. Clark) and ascertain also the position of other hon. members of the opposition—

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The Solicitor General (Mr. Fox) has the floor. It is a long night, and I am prepared to stay all night.

[*Translation*]

Mr. Fox: —also the position of other hon. members of the opposition. Mr. Speaker, I should have thought that we were interested, during this special debate in Parliament, in trying to shed as much light as possible on the events which took place in 1972. Last week I made a statement which I felt was quite complete, and the Minister of Supply and Services (Mr. Goyer) made today a statement under his oath of office not only as a member of parliament but also as a minister of the Crown. Following this, there was a question period during which the minister replied to all the questions, although he was under no obligation to do so under our Standing Orders. He made himself willingly available to reply to the questions of the opposition.

Unfortunately, for a reason which I cannot fathom, Mr. Speaker, the opposition decided for a good part of the afternoon to neglect this opportunity, which was ideal in my opinion, to ask the Minister of Supply and Services (Mr. Goyer) all the questions they could have put to him. Instead of asking him specific questions, instead of clarifying the debate, which I would have hoped deeply, and I am convinced that the present Minister of Supply and Services agreed with me, instead of using this time which was made available to them, they decided to resort to procedural arguments and the worst kind of political partisanship.

Mr. Broadbent: Who did?

Mr. Fox: Unfortunately, some members of the opposition. I must say, Mr. Speaker, that my comments do not apply at all to the leader of the New Democratic Party who constantly took advantage of the time at his disposal to ask extremely relevant questions. I do not agree with his conclusions but, obviously, it goes without saying that the leader of the New Democratic Party did use those moments made available to him to get as much information as possible.

Unfortunately the debate is apparently becoming an exercise in political partisanship. We should rather try to determine what really happened a few years ago. Nevertheless I would be remiss if I did not make some remarks on the theory of ministerial responsibility which the Leader of the Opposi-

tion has just exposed to the House. I have great respect for the Leader of the Opposition and I know he is a man who really cares for the interests of our parliamentary institutions. Still I think I can disagree with him on his notion of ministerial responsibility. I think the notion he has put forward to the House tonight is a very traditional one, which may be the historical concept enunciated, for instance, in 1867, by Mr. Walter Bagehot. In my opinion, there has nevertheless been a certain evolution in government institutions since 1867. Likewise, there has certainly been some evolution in the concept of ministerial responsibility.

I certainly cannot believe that, for example, were a customs officer caught red-handed driving under the influence, the Minister of National Revenue (Miss Bégin), my colleague in the House, would have to resign immediately. It seems to me that that concept cannot stand analysis.

An hon. Member: You are going a bit too far.

Mr. Fox: I agree with the hon. member that perhaps I have chosen an unusual example, but I am raising the question quite simply and I feel that maybe if the conclusion he wants to draw were carried to extremes, that comparison might be more valid than he is prepared to admit for the moment.

Mr. Speaker, of course I would not want to recapitulate all the facts mentioned in my statement nor the extremely concrete principles I have put forward last Friday regarding the obligation for the police forces in this country to set an extremely straightforward example and to see to it that all their actions be performed within the standards set by the law. But, I would also like to take this opportunity to point out to the House that the work of the RCMP is extremely difficult and that the RCMP absolutely needs to find again the trust of the Canadian public, which it has deserved for a very long time, it must also have again that of hon. members of this House. Unfortunately, Mr. Speaker, for some time now, and I say it in all sincerity, we have been witnessing far too much, in my opinion, of that process whereby hon. members come to the House with allegations, without having had the time or opportunity to check them, and throw them at us publicly, in the House of Commons. It seems to me all hon. members here take to heart the reputation of the RCMP which is excellent. That does not mean that errors are not made from time to time, but it goes without saying that hon. members have responsibilities towards Canadian institutions, and one of those duties is to avoid coming to this House and flaunting out, in public allegations that are not founded. Mr. Speaker, I quite agree that it is the duty of any member of parliament, if he has information and evidence indicating that illegal actions have been committed, to bring the facts to the attention of those who exercise responsibilities and if the latter do not take the necessary measures, it is their duty, Mr. Speaker, and I would be the first one to agree on that, to raise this issue in public. However, Mr. Speaker, I think that their duty goes beyond mere public disclosing of this kind of information, I should not say information but allegations, because in several instances, as we have witnessed for some time, allegations of illegal actions involving the RCMP have been thrown on the floor of this House and hon. members are quite aware that some of the allegations cannot be sustained and I have submitted reports to the House to that effect. Despite those reports submitted to the House, Mr. Speaker, despite the fact that certain of these allegations have led to inquiry by independent police forces, despite the fact that at least in one case, these allegations have been brought to the attention of a Crown prosecutor in another province, namely the province of Ontario, in which members seem to put their trust even if they do not put much trust in other provinces, despite the fact that the prosecutor from Ontario said there was no ground for suggesting a criminal act had been committed, this kind of allegation is still made in this House, and the integrity of the RCMP is still being attacked without any legitimate grounds, Mr. Speaker. This practice is certainly very serious indeed and hon. members of the opposition must surely bear the blame for it.

● (2330)

I accept the fact Mr. Speaker that hon. members on the other side of this House care to defend the RCMP just like us from the cabinet who believe that we obviously are duty bound not only to see to it that mistakes be corrected but also that the RCMP be defended when groundless allegations are made against this police force. And if they really want, as the leader of the opposition (Mr. Clark) was saying and I have no reason to question his good faith, if they really want to make some statements on the RCMP, which is one of the best police forces in the western world, I really agree at this point, Mr. Speaker, that the corollary must surely be that hon. members on the other side also partake in a duty, the responsibility of behaving as responsible citizens and not abusing their privileges as members of parliament.

Well, Mr. Speaker, some parts of the statement have also been used to imply a concealment or, to use the same word as the New Democratic leader (Mr. Broadbent), a cover-up.

I for one think, Mr. Speaker, that the real question is what the inquiry commission of the Quebec government has been ordered to study. I think, Mr. Speaker, that the then RCMP commissioner and the security service director could certainly believe in all good faith that, if the matter was investigated by the Montreal police, the inquiry would proceed and that charges would eventually be made. I think, Mr. Speaker, that by giving an order of reference to its inquiry commission the Quebec justice minister has really determined one of the key points, one of the key questions, which must be determined to know if there really has been conspiracy or not and the question to be answered is why the Montreal police inquiry was ended. In my opinion, Mr. Speaker, it is a basic point, and on this point as on the others, I firmly intend to cooperate and the RCMP will cooperate with the Quebec justice department in their inquiry to determine this point.

The opposition leader and the New Democratic Party leader have told us of the necessity of a public inquiry. In my opinion, Mr. Speaker, we all agree there is now a public inquiry and it is being carried out in the province of Quebec. Mr. Speaker, I

did not hear any objections in this House when the province of Alberta, for example, decided to set up an inquiry and to summon the RCMP to appear so as to establish whether there had been illegal action committed in the course of an operation related to the Royal American Road Shows matter. No objections are raised when it is the government of Alberta, Mr. Speaker. Here is another example: When the New Brunswick government decides to open an inquiry and to investigate on the activities of the RCMP in their province, the opposition does not ask for an inquiry at the federal level. But when the province of Quebec makes an inquiry, Mr. Speaker, despite the position always maintained by the opposition leader, a position which seems supported by many provincial premiers to the effect that there should be more decentralization across the country, then he seems to forget his principles to say that the administration of the law in Canada has nothing to do with the provinces, or perhaps that it has nothing to do with the province of Quebec, because in the case of Alberta and New Brunswick I have never heard any opposition to such an inquiry at that level.

[*English*]

Mr. Clark: Mr. Speaker, I rise on a point of order. I would like to determine whether the minister would give us the guarantee or would accept a question as to whether he or his colleagues in the government will appear before the provincial inquiry in Quebec, the terms of reference of which are so limited as to prohibit them from inquiring into the question which is at issue in the House tonight.

[*Translation*]

Mr. Fox: Mr. Speaker, I thank the Leader of the Opposition (Mr. Clark) for his intervention. I realize, of course, that he did not answer my statement on his position concerning the centralization of justice administration which is obviously an experiment, a very new proposal and undoubtedly a most original contribution to the constitutional debates which are now going on in this country. Needless to say, the Leader of the Opposition has every opportunity in the oral question period to ask questions and nothing prevents him from doing so. He could very well have asked that question this afternoon to the Minister of Supply and Services (Mr. Goyer). Of course, members opposite understand only "yes" and "no": if I may play on words, there is not enough gray matter in the opposition to see things otherwise than in black and white.

Mr. Speaker, altogether, I hope that the House will come quickly to the facts, to what happened and to actions which should be taken now. The leader of the opposition and the leader of the New Democratic Party have stated that we should have a public inquiry. But, all things considered, there is already a public inquiry under way in the province of Quebec. I pointed out in the statement I made in the House that our intention was to offer our full co-operation to this public inquiry. Some hon. members on the other side said that we must have a federal inquiry because we cannot place the fate of the RCMP in the hands of an inquiry commission established by the government of Quebec. Obviously, they are already making some distinction regarding the government of the province of Quebec which is part of our confederation and enjoy powers under our present constitution. The hon. member is right when he says that I am responsible for the RCMP and I totally agree with that. Both the leader of the opposition and the leader of the New Democratic Party seem to suggest that we should have a federal public inquiry apparently because they think that it would put an end to the Quebec inquiry.

Mr. Speaker, if we establish an inquiry at the federal level this will not have the effect of cancelling the current inquiry in the province of Quebec. Under the present Constitution, they are responsible for the administration of justice in their province; they are responsible for the enforcement and implementation of the Criminal Code in their province and their investigation will obviously be maintained whether the federal government makes an inquiry or not. Furthermore, they will have the right to issue subpoena. I understand the Leader of the Opposition has three frontbenchers who are former provincial attorneys general. I think these attorneys general would agree with me that this commission of inquiry in Quebec would have the jurisdiction to issue subpoena and to summon the people who are necessary to clarify the situation to appear before them.

• (2340)

I fail to see, Mr. Speaker, why that process should be set aside. It goes without saying, Mr. Speaker, as I already said in my statement to the House of Commons last Friday, that we are going to cooperate with that commission. The only thing that I may say to qualify that assertion is that I have no intention of allowing any provincial body, whether it be in New Brunswick, Alberta, British Columbia or Quebec, to take the pretext of a provincial inquiry commission, to make a complete investigation into the activities of the RCMP in Quebec or elsewhere. As to the events surrounding the APLQ, we shall cooperate fully and completely, and I assure the Leader of the Opposition (Mr. Clark) of that, but if this is an inquiry that other members and myself would term a fishing expedition, it goes without saying, Mr. Speaker, that there are limits of course to powers of inquiry.

The leader of the New Democratic Party went further and criticized the Prime Minister for certain actions, and I should like to dwell on this matter, Mr. Speaker. The Leader of the Opposition suggests that further action should have been taken in 1976. On this point, Mr. Speaker, I gave to the house a detailed explanation about the position taken by Parliament in 1976. Indeed, Mr. Speaker, I am informed that the action taken by the government in 1976 was based on the legal opinion given by the law officers of the Crown who believed that, under the circumstances, the government had to refer the evidence and cooperate with the provincial authorities responsible for criminal law enforcement within their own province. To suggest that something else should have been done, Mr. Speaker, is to suggest that the federal government should ignore the Constitution when it sees fit to do so, that it should completely disregard provincial responsibility as concerns the administration of justice and administer justice itself. Well,

the Constitution does not work this way, Mr. Speaker, and I repeat that it is the first time we have heard in this House such an extraordinary suggestion that seems to say that the province of Quebec should not set up an inquiry commission, but that if New Brunswick or Alberta should set up one, nothing will be heard from the other side of the House.

Mr. Speaker, I believe, and my statement is quite explicit on this point, that the government took in 1976 the action required at the time in full cooperating with the Quebec inquiry. The government cooperated fully, no criticism was made about the RCMP, and indeed, the RCMP Commissioner himself met with Quebec authorities in 1976 to reply to all the questions asked by the Quebec investigator. The RCMP always cooperated fully, and the government itself in its instructions to the RCMP, always cooperated fully, Mr. Speaker.

In conclusion, Mr. Speaker, I will merely assure the House, as I have already done in my statement, that we intend to continue to cooperate with provincial authorities so that through the Canadian constitution now in effect, some light may be shed on the matter.

An hon. Member: You are hiding something.

Mr. Fox: An hon. member opposite tells me that we are hiding something. When we say, Mr. Speaker, that we will fully co-operate and that we will see that the RCMP fully cooperates, so that some light may be shed on the four points identified in Mr. Bédard's statement, I think that it is the opposite. Once again, Mr. Speaker, we could hold a board of inquiry—

An hon. Member: What have you got to hide?

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. minister, but his allotted time has expired.

Mr. Clark: Let him go on.

Some hon. Members: Let him carry on.

The Acting Speaker (Mr. Turner): Is there unanimous consent to allow the minister extra time?

Some hon. Members: Agreed.

Mr. Epp: Clear the record, Francis.

[*Translation*]

Mr. Fox: Mr. Speaker, I thank hon. members for their kindness. Just as the leader of the New Democratic Party, I do not intend to impose on the kindness of hon. members. I should like to say, Mr. Speaker, that most points raised by the Leader of the Opposition and the leader of the New Democratic Party have been covered. Those problems were dealt with in the statement I made in the House last Friday.

We were the first ones to admit that the procedure of complaints against the police was inadequate and we have taken the necessary steps to ensure that important changes are made to this system. I believe the leader of the New Democratic Party was perfectly right to say that this procedure was inadequate. The Minister of Supply and Services (Mr. Goyer) himself has indicated in his statement this afternoon that he felt it was inadequate and that he had made some recommendations which had led to setting up the Marin Commission. I have also clearly stated in my statement in the House that I intended to bring before Parliament during the next session, that is to say this fall, a legislation to implement and put in our statute books the recommendations of the Marin Commission as regards the non-partisan and objective review of complaints lodged against the police.

Mr. Speaker, I suggest those are positive ways to improve the present situation and ensure that this kind of situation does not occur in future. In summary, Mr. Speaker, I think that the statement I made this afternoon and that made by the Minister of Supply and Services himself, under his oath of office, answer all questions which were asked and cast of course a new light over this whole matter. Again, Mr. Speaker, the province which is responsible for the administration of justice, the province of Quebec in this case, has already set up a parliamentary inquiry and we will cooperate in the carrying out of the terms of reference of the commission.

Mr. Speaker, I only want to repeat once more that the steps which are being taken by the government are consistent with their action of 1976 which was to cooperate, to open their files and books to the Quebec investigator, which led to this pre-inquiry, to a conviction and, of course, to the plea of guilty and the sentencing by the judge. In so doing, Mr. Speaker, and here again I emphasize this point, the government was acting pursuant to advice given to them by the law officers of the Crown.

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, if there is one thing that is obvious today it is that the more the government talks the more everybody in the country realizes that there is only one way to solve the problem which is before us today, and that is with a federal public inquiry where the people who are involved in this affair can face cross-examination and lay all the facts on the table so that the country can judge who is guilty of misconduct, gross inability and negligence as far as the law-abiding citizens of the country are concerned.

No citizen in this country can feel safe as long as this government is allowed to perform the way it has performed today. It is clear that this whole matter is nothing more than a charade, and the Solicitor General (Mr. Fox) in his speech moved from the point where no inquiry was required to the point where he is now trying to get the people of this country to settle for the inquiry that the government of the province of Quebec had the good sense to set up because it probably knew that this government would try to stonewall the Canadian people in so far as bringing out the facts of this sordid situation we are discussing here tonight is concerned. It is a national scandal, and the people of this country will settle for

nothing less than this government's accepting its responsibilities and setting up an inquiry immediately.

I look to nothing more than the Bible of the Liberal party. There is no paper in this nation which has more consistently supported the Liberal government than the Ottawa *Citizen*. Its lead editorial tonight is entitled "Cover-up Bomb Ticking". That is the story from the mentors of the Liberal party down the street. This is what that great newspaper says:

> There is, of course, a vast difference between calling for the heads of minor figures in a whitewashed political controversy and getting to the bottom of things.
>
> NDP Leader Broadbent and Tory Leader Joe Clark have been more than justified in demanding a full-fledged investigation into the activities of the RCMP around the time of the illegal break-in at L'Agence de Presse Libre du Québec in 1972.

I will not put the whole editorial on the record, but in conclusion it says the following:

> Francis Fox would be well-advised to disarm this bomb by setting up the necessary investigation.

I want to take hon. members back to the time when this illegal break-in occurred. At that time a general election was in progress. That general election was to be finalized on October 30 of that year. At that time the government across the way saw its majority disappearing quickly. On October 30 the Liberal party dropped from a majority position to 109 seats, and the Progressive Conservative party arrived at the point where it had 107 seats. Let us recall that situation, Mr. Speaker; let us get that atmosphere in place. What was the solicitor general of the day doing at that time? I can tell you one thing: he was probably not around Ottawa very much. More likely he was in the province of Quebec trying to save his seat and the seats of other members in that province.

● (2350)

While the solicitor general of the day, the Minister of Supply and Services (Mr. Goyer), had no time to talk to the Commissioner of the RCMP about what was happening in respect of the break-in at the APLQ, it is amazing that he had lots of time to talk to the Commissioner of Penitentiaries who was opposed to certain charges being made by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) regarding the situation at Millhaven Penitentiary. As a matter of fact, while the Solicitor General of the day could not talk to the RCMP and could not find out what was going on in a break-in that was news in Quebec where he was at that time, and that was resulting in the press conferences called by the group that was the victim of the illegal break-in, he could go on national television on October 21 and attack the candidate, now the hon. member for Frontenac-Lennox and Addington. He tried to convince the public that the erosion in the penitentiary service was not as bad as the hon. member had stated in his own press releases, which were in fact confirmed later.

It is amazing that the Minister of Supply and Services could talk to the Commissioner of Penitentiaries without any difficulty but could not find time to talk to the Commissioner of the RCMP about something that was happening in his own province, his own backyard. It was something he knew a great deal about because every day he was listening to what was happening and the way it was being revealed to the people of that province by the people who were the victims of the break-in. It is a strange set of events that was occurring at that time.

This is nothing new or different. We got the same kind of stonewalling and scenario in the judges' affair. If we want to go back further, it is the same story every time in this House. I recall the revelations that led to the Rivard affair. I remember what happened in this House then. I remember very clearly how the minister of justice of that day rejected over and over again every call for an inquiry into that affair. Finally the hon. member for Yukon (Mr. Nielsen) had the courage to stand up in this House and put the facts before the country that resulted in the Dorion inquiry. I would recall to hon. members, in case some of them were not here or some of them cannot remember, some of the results of the Dorion inquiry. An executive assistant had offered a bribe to a lawyer by the name of Lamontagne in the city of Montreal so that bail would not be opposed for a gentleman named Rivard, who was Mafioso all the way, and one of the kings of the drug trade in North America. I remember the results of that. One was the resignation of the minister of justice and another was that the executive assistant in question was jailed for the offence.

Some other things happened that were very important and that apply to what is happening now. I am going to suggest one of them to the present Solicitor General because he seems to be setting up a new set of rules for ministers of the Crown. I am going to refer him to a former Prime Minister who issued a set of rules that members of cabinet should follow and apply in their role as ministers of the Crown. These rules are set out in the book entitled "Vision and Indecision", at page 309 as follows:

> . . . Prime Minister Pearson decided to send every cabinet minister a letter of friendly advice—in which some read an "or else" implication. This letter was leaked to the press and became known as "Pearson's Code of Ethics". It said in part:
>
> > It is by no means sufficient for a person in the office of a minister—or in any other position in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest possible public scrutiny.

Some hon. Members: Hear, hear!

Mr. Coates: I say to the minister that he cannot stand up to "Pearson's Code of Ethics".

The excerpt continues:

> It has been said that the elementary qualifications demanded of a minister are honesty and incorruptibility. But it is not enough to have those qualities. Our attitudes and conduct must be such as to reflect them.

I say again that the Minister of Supply and Services does not reflect these attitudes in the statement he made in this House today.

Some hon. Members: Hear, hear!

Mr. Coates: Mr. Speaker, the excerpt goes on:

In order that honesty and impartiality may be beyond doubt, members of minister's staffs, equally with ministers themselves, must not place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part . . .

I say to the Minister of Supply and Services that his executive assistant of that day did not meet the qualifications set down by "Pearson's Code of Ethics" either.

Some hon. Members: Hear, hear!

Mr. Coates: Mr. Speaker, I want to put something else on the record. It is very important that we clear the air about certain statements made in relation to questions of privilege, to charges being made, and the sort of gobbledygook that we heard from the government House leader in this Chamber today.

On the occasion of the selective amnesia of the Prime Minister of the day in 1964, when he finally walked into the House of Commons and admitted that he had forgotten that the then minister of justice, Mr. Favreau, had told him on an aircraft of certain revelations, certain things happened. They are set out in the book entitled "*Distemper of Our Times*" by Peter C. Newman, at page 271 as follows:

● (Midnight)

Asked in the House why he had previously said he had first heard about the case on November 22, Pearson replied lamely, 'I had completely forgotten the earlier conversation.' The opposition moved that the whole matter be sent to the Commons committee on privileges and elections which, in effect, would have constituted a tribunal to determine whether or not the Prime Minister of Canada had lied. The Speaker ruled against this motion and was upheld 122-105.

The point is, no charge was laid. The motion sought to refer the matter to the Standing Committee on Privileges and Elections. It was not accepted because the government voted against it. But there was none of this phony baloney about charges. It was a matter of straight referral to the committee.

There are 101 questions to be asked, and my leader this evening, in his most responsible, reflective way, placed the issue before the House. He asked for certain answers, but was met with the stonewalling in which the government engages when in trouble. And it is in deep trouble, let there be no doubt about it.

I seldom feel sorry for the Prime Minister (Mr. Trudeau), but I felt sorry for the man yesterday when, on coming to this House, he had to defend the Minister of Supply and Services for the third time in a relatively short period. For the third time the Prime Minister had to defend that minister from opposition attacks, and protect his seat. He does not deserve that protection, and this country does not deserve that kind of minister. After the inquiry deals with this matter that minister will not sit on this country's treasury benches. That inquiry will place the blame where it belongs, on the shoulders of the then solicitor general, the present Minister of Supply and Services. That day cannot come too soon.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will not bore the House by repeating the sad events which followed the disclosure by Corporal Samson of the break-in, but I will deal briefly with the Solicitor General's (Mr. Fox) arguments opposing an inquiry. He said that since a Quebec inquiry is already under way, another inquiry would merely be a duplication. Keep in mind that if this government had done its duty and examined the information available, the Quebec government would not have felt it necessary to call an inquiry. We do not object to the Quebec inquiry, for its calling is entirely consistent with the facts at the disposal of the Quebec government. The real question is, why did this government not call an inquiry before Quebec felt it necessary to call its own inquiry?

Consider what the Quebec inquiry can accomplish. The Solicitor General should have been more forthright in his response to the question asked by the Leader of the Opposition (Mr. Clark). The question is, is Commissioner Higgitt a compellable witness at that hearing? Is the present Minister of Supply and Services (Mr. Goyer) a compellable witness? Possibly Mr. Starnes is a compellable witness.

The issues which we in this House want to see determined cannot be determined at the Quebec inquiry, which is the biggest red herring anybody has thrown across our path tonight. Its terms of reference would not permit it to inquire into those matters we want clarified. Therefore the inquiry we want would not duplicate the Quebec inquiry.

Second, in this particular case the sentencing judge had access to documents which are probably prohibited under the doctrine of national security, and the Solicitor General has power under section 41(2) to prevent any evidence from being given before any tribunal in this country. In the Quebec case certain matters concerning national security were not made public, and the judge clearly considered them in sentencing. If necessary, at the inquiry we seek, evidence concerning national security could be heard in camera. However, we need an inquiry to examine evidence which, beyond the balance of all probability, shows there has been a cover-up.

I will not repeat past events, but it is clear that the government has abdicated its responsibility to the province of Quebec. The question arises, has it maintained the federal authority in this case? The premier of Quebec has already said he does not want the RCMP in his province, and this government has given him the best opportunity in the world for attacking the RCMP. The Solicitor General suggested that the opposition are attacking the integrity of the RCMP, but I say that this government has given the government of Quebec a terrific political lever with which to destroy the integrity of the RCMP within that province, to its everlasting shame. In the process of doing so it has helped further to fracture Canada's unity. It will have contributed substantially to the separation of that province, because one of the previous ministers concerned was guilty of sheer neglect. Probably both were guilty.

Last Friday the Solicitor General enunciated an important principle of law. Let me read what he said, as reported in *Hansard*, page 6795:

In a democratic society, Mr. Speaker, it is essential that those on whom, like the RCMP and the Security Service, falls the task of enforcing the law and protecting our basic liberties, can count upon the complete support of the people.

This support, in return, must be based on the faith that those protecting these rights do themselves feel bound and indeed are bound by our laws in fulfilling their duties.

That is an excellent statement of principle, but it is typical of this government that it misses the fundamental point we are arguing. Not only must the public feel that those who enforce the laws are subject to the rule of law; they must be satisfied in a democratic society that those who enforce the laws are their servants, not their masters. We must determine if the Solicitor General maintained control of the force. He suggested we are attacking the integrity of the force, but I say its integrity is attacked every time a minister in this House becomes nothing more than an apologist for the force and does not accept ministerial responsibility for providing leadership with respect to the RCMP. And the government has dismally failed to provide it.

No police force is without its great problems. Being a policeman is a tough job. It is not a popularity contest, and there are bound to be bad policemen in any force. We say that in certain incidents the RCMP appears to have broken the law, and the minister says we are attacking the integrity of the force. But I say that we are trying to protect the integrity of the RCMP and protect the fine record and reputation of the force.

● (0010)

The question that is key in this matter is something else the Solicitor General said in his statement. It was in fact that the incident which occurred was neither unusual nor exceptional. I am paraphrasing. I am not saying it exactly. I point out to the Solicitor General that the evidence has been given over and over again by Corporal Ramsay, an ex-corporal in the RCMP. I want to read some of that from tonight's paper. I hope the minister will take the trouble to have a look at it. The headline in tonight's Toronto *Star* reads "Break-ins Common—Former Mountie." I quote from the article:

During the last year and a half he was in the force, he said, as an assistant training officer in Saskatchewan, he was in charge of setting up classes for other officers.

Some of the classes dealt with methods of breaking and entering and bugging hotel and motel rooms as well as homes, he said. Lectures included playing tapes that were obtained by bugging... But major installations, which involved breaking into a home or office to install bugging equipment had to be approved by headquarters in Ottawa.

That is Jack Ramsay, an ex-corporal in the RCMP. Surely that evidence alone cries out for someone to take a look at making sure that the force is not engaged in illicit break-in activities in order to set wiretaps. The article continues:

Ramsay said that in his day all divisions of the RCMP had "technical aid sections" with bugging equipment and expert lock-pickers to conduct the break-ins.

I do not want to hear the minister get up in this House tomorrow and apologize again. The hon. member for Central Nova (Mr. MacKay), who knows as much about this subject as anyone in this House, has raised these matters since I came here in 1972, over and over and over. The difficulty continues to be that the understanding of the present minister and his two predecessors of the role of Solicitor General is that it is simply to protect and apologize for any activity of those in the force or in the bureaucracy that they represent. The Canadian people are really getting a little tired of it.

There is a rule of political leadership in a democratic society that the RCMP must, above all other people, surely obey the law. However, the Canadian public are in doubt right now that the political authorities are in control of the force. On that point alone I plead with the government to call an inquiry into this specific matter even if it does not wish to expand it into the others I am going to suggest also cry out for an inquiry.

I am not critical of the present Minister of Supply and Services in terms of his handling of the matter in the House this afternoon. I think he made a forthright statement. It was something he was not required to do under the rules. I am not critical of the present minister for the statement that he made in the House. But, as many people have pointed out, that statement raises far more questions than it answers.

However, what is important are two things that the minister, in answer to the hon. member for Oshawa-Whitby (Mr. Broadbent), inserted in the record. One of them perhaps goes to the root of the problem. He said "that is easy to say", in response to the question of whether he should have asked the key question following the November 6 meeting.

Hindsight is very easy. The fact that he did not ask the key question goes beyond what was negligence of his part. It goes to the root of the question as to whether he understands the role of Solicitor General to be more than an apologist, to have a positive obligation, to find out whether in fact the force is obeying the law of the country. It is that duty the solicitor general at the time failed to meet.

Sure, hindsight is easy, but it is not just a question of negligence. It is a failure of this government's understanding of its role with respect to the RCMP because it did not occur to the minister to ask a question. He still sees his role as being the protector of the force. He would never believe they would break the law. That is at the root of the minister's failure. I am not challenging the veracity of the statement that the minister made, although it certainly raises some question of judgment.

The other line that the minister threw into debate, and I will be pleased to listen to his further comments, was to call this back-seat driving on the part of the hon. member for Oshawa-Whitby. I say to the minister through you, Mr. Speaker, that it is better to have somebody driving even if it is in the back seat, because what we have had was that no one who had that particular portfolio did any driving. He was being driven by the force and being ignored by the force.

In the United States a president was impeached because three operatives, not police officers, broke into the Watergate complex. The only reason we are debating this in the House today is because an RCMP corporal who was charged in an illegal bombing let slip in the evidence that he participated in a break-in. Otherwise there would never have been this debate in the House of Commons today. This matter would never have come to light.

The facts are obvious about a cover-up. The logic is overwhelming that there was a cover-up. Democracy cannot survive that kind of conduct. We need to have a complete and open society. The only way the government can demonstrate that it is in favour of that, and I plead with it tonight, is to agree to have an inquiry into this matter. It will be the first step back to restoring the integrity of the RCMP and putting ministerial responsibility where it belongs.

This is a serious time. I will not deal with the Praxis question because my time is limited. However, there are some serious questions with regard to that which remain unanswered. I will throw the name of Létourneau into this debate and I will deal more with that. This is another question of illegality on the part of the RCMP in Quebec. There was the Royal American show, the illegal police bugging. The police investigation in that case was simply to call in the officers, ask whether they did it, and when the officers said no, they said that was fine. Can you imagine an ordinary citizen alleged to have committed an offence being treated in that way? No statement was required and there was no investigation. Further evidence has now come out of that.

There is the New Brunswick inquiry, again the question of RCMP responsibility. There is now so much cumulative evidence that we have to start to redress on that balance.

When I began practising law the courts were very scrupulous, very careful that the rule of law was always obeyed. I am afraid there has been a swing in the pendulum. Because of a deep concern about rising crime, we have started to cut corners to control it. That is a great mistake. The kind of civilized and free society that we have cannot exist if we do not have a government which understands that the people are the masters of the RCMP and must remain so.

● (0020)

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have listened to the discussion of the APLQ incident for the past two days and I am shocked by the lack of rigour, discipline and the degree of irresponsibility with which opposition members have carried on, making gratuitous allegations and insinuations.

What is the opposition after—the truth or sensationalized press reports? The opposition parties are so miserably lacking in creative ideas and policy proposals that I can understand this might be the only way for them to obtain press coverage. However, parliamentary tradition suggests that if any member chooses to argue on the basis of allegations and insinuations he should have enough courage, enough guts, to specify his accusations and to put his job on the line to prove them. I have already said I would put my seat on the line to support my statements.

For example, the Leader of the Opposition (Mr. Clark) has insinuated that I may have misled the Solicitor General (Mr. Fox) in my account of the facts concerning my involvement in this incident. If he wants to accuse me of concealing evidence, let him be specific about it and let him pay the price if he fails to prove his accusation. If he chooses not to put up, he should shut up. The Leader of the Opposition is of course hesitant to stake his seat, because he knows very well that these allegations are unfounded.

As for some other members of the opposition, unfortunately they have not behaved very responsibly, either. Their tactics were clear: insinuation and innuendo. They obviously did not pay attention to the Solicitor General's statement. They chose to extract only those parts of the statement which suited their purpose. They chose to conveniently overlook important pieces of information.

One member was unethical and irresponsible enough to accuse me of having been involved in three "scandals". He should have more respect for the English language and use such words as "scandal" more judiciously. He should have enough respect for individual rights and reputations to use such words more carefully. First, though the purchase of aircraft from the Lockheed Corporation did give rise to serious problems, in no way could the negotiations be qualified as scandalous. We all know how hard the opposition tried to uncover a scandal, to no avail.

The second incident referred to by the member is the Hamilton dredging incident. I would like to correct an erroneous news report published as a result of the statement made by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) concerning my alleged involvement in the Hamilton dredging incident.

The members's allegations are false. This incident was dealt with in parliamentary committee which unequivocally concluded that I had acted correctly and responsibly in dealing with this matter. Furthermore I am tabling, with the signator's consent and, I hope, with the consent of the House, a letter sent to me by Mr. James E. Campbell, then Controller, City of Hamilton, dated April 8, 1975, which should erase any doubts which anyone might have concerning my role in this incident. It reads as follows:

Dear Mr. Goyer:

I felt that I should write to you as a result of the vicarious exchanges between us reported by the news media.

The news media and others were quick to seize upon and exploit a statement by me that certain information was handed to you when what was meant was that it was handed to your office.

At any rate the matter was acted upon swiftly as reported in the *Globe and Mail* on or about December 14, 1972 in a report that the RCMP had commenced an investigation of Hamilton Harbour.

If I can be of any help to correct any statement that may have caused any embarrassment to you or your department, I would be pleased to do so.

Yours truly,

James E. Campbell
Controller

Some hon. Members: Hear, hear!

Mr. Goyer: At the risk of repeating my earlier statement, I will explain my role in the APLQ incident once again. The Solicitor General has already tabled a statement; I, myself, have risen on a question of privilege to explain my role in this incident; I trust that, the third time around, opposition mem-

bers will begin to grasp the facts. I sympathize with the many opposition members who are just plain slow at grasping issues, but those who refuse to grasp the facts, who distort the truth are abusing their position as members of parliament and are abusing the confidence of their electors.

First, I want to state flatly that I had no prior knowledge of the October 6/7 1972 break-in at the APLQ. The Solicitor General has also stated that neither the RCMP Headquarters in Ottawa nor the Commanding Officer of "C" Division in Montreal had been told of the break-in prior to the operation being carried out.

Second, a letter dated October 9 was sent to me by the APLQ. The letter did not state that the RCMP had participated in the break-in, it asked if it had. This letter, received October 11, 1972, was not immediately brought to my attention but was referred to the RCMP. This was standard practice, and this afternoon I explained that practice.

As I mentioned this afternoon, this method of dealing with complaints about the RCMP was not ideal, but those were the tools available to me at the time. And in the early fall of 1972, I had recommended to the Prime Minister (Mr. Trudeau) that a commission be instituted to look into disciplinary questions and the manner of dealing with complaints about RCMP behaviour. The commission was in fact established by my successor.

On October 26, 1972, the RCMP wrote to my assistant recommending that no acknowledgment of the letter be sent, without providing the reason for their recommendation.

My agenda indicates that I would have raised the matter with the Commissioner and the Director of Security Services of the RCMP on November 6, 1972. I was not informed of RCMP involvement in the break-in at this meeting nor at any subsequent meeting with the police. I was advised not to acknowledge the letter because the theft of documents referred to in the APLQ letter fell under the jurisdiction of the provincial authorities and I was informed that la Police de Montréal was investigating the incident.

I am sure that I was not told of RCMP involvement in the break-in. The former Commissioner and former Director of Security Services claim they would be surprised if they had not told me verbally. But, neither the Commissioner nor the Director of Security Services of the RCMP remember actually telling me about RCMP involvement in the incident. They both state that the matter was a very serious one and very unusual. Do you not think, Mr. Speaker, they would remember discussing it with me? Do you not think that had they wanted to inform me about it they would have done so in writing?

An hon. Member: Perhaps not in this case.

Mr. Goyer: The RCMP's standard way of dealing with important information was to convey it to me in writing. I outlined the procedure this afternoon, but let me repeat that many days I received up to five or six documents on police matters. Decisions and policy directives were recorded in writing and such documents were initialled by me. The RCMP is methodical, efficient, and thorough in keeping its records of discussions and decisions. The Solicitor General Department's files and those of the RCMP contain no written report to me on the APLQ break-in.

• (0030)

Why did I not specifically ask if the RCMP was involved in the break-in? First I received an inquiry about an illegal break-in from a group whose reputation and credibility hon. members can evaluate themselves. I found it hard to believe that the RCMP could have participated in an illegal break-in. I had no knowledge of the RCMP ever having taken part or even having planned to take part in illegal activities. I respected the RCMP's reputation and past record. The opposition is being cynical and opportunistic when they wonder why I trusted the RCMP. They were the ones, especially Tory members, who were attacking me at the time for not showing enough respect for the RCMP.

Secondly, when I discussed the APLQ letter with the RCMP, the Quebec justice minister had already stated publicly that no police force was involved in the break-in. He had prime responsibility for investigating the incident; he had done so and was unequivocal in his conclusion. Was it reasonable for me to doubt his conclusions? The RCMP did not tell me of RCMP involvement in the break-in, the Quebec justice minister stated bluntly that no police force was involved; it was thus clear to me that the RCMP was not involved in the incident. I had no reason to suspect the conclusions of the Quebec minister of justice as false and thus no reason to ask the RCMP if they had been involved in the incident. No member of this House would have reacted differently. When I was also told that the whole matter was being further investigated by the Montreal urban police, I was further reassured that justice would take its course.

The Quebec justice minister's statement denying that any of the three police forces were involved in the theft of documents was never brought to my attention as false.

On November 27, 1972, I was appointed Minister of Supply and Services, and the very first time I learned of RCMP involvement in the break-in was in March 1976.

As I pointed out this afternoon, neither the deputy solicitor general nor the then director, security planning and research group, were made aware of RCMP participation in this operation before March 16, 1976. The established practice called for their being informed of important questions pertaining to the RCMP's activities, to allow them to assist me in following up on such matters. Normally, at least one of them attended my meetings with the police. Neither one remembers even hearing about RCMP involvement in the break-in at the APLQ.

This now brings me to the broader question of the role and duties of a solicitor general as they pertain to responsibility for the RCMP. First of all, in a democratic society, day-to-day police operations should be carried out as independently as possible from the political process and the police should not be used to further political aims. As Solicitor General I was under severe pressure from opposition members not to involve myself

in the day-to-day operations of the force; opposition members watched carefully to ensure that I was not interfering with police operations.

I agree that with regard to specific day-to-day police operations the role of the Solicitor General should be non-intrusive unless of course there is proof that police conduct is unworthy or illegal. I can assure the House that when I was Solicitor General, the RCMP was never asked to undertake any activities to further political interests nor was I ever made aware of any illegal police activities, under any circumstances. Thus my actions toward the RCMP were directed at policy matters at finding ways and means to make the RCMP even more effective and efficient.

Let me give the House some examples of how this was done. First of all, the whole recruiting process was reviewed, with special attention being given to upgraded entrance requirements. Bilingualism and multilingualism combined to make the force more representative of Canadian society and more efficient. It was decided that women could become members of the force. A national committee, formed of members of the force, was established to discuss problems and issues relating to improving conditions and relations between the commissioner and members of the force, and thus improving the work environment. I recommended the establishment of a commission to deal with disciplinary questions and the manner in which to deal with complaints about RCMP behaviour. A public relations program focusing on crime prevention was established in numerous schools throughout the country.

Some of the RCMP's methods of operation were reviewed and discontinued. For example, I put an end to the practice of soliciting information from young informers. I encouraged the RCMP to put added emphasis on white collar crime.

Of course, I also paid a great deal of attention to national security problems. That is what a Solicitor General should do. Threats to our national security arise not only from outside our borders but also from within the country itself. We had had bombings; innocent persons had been maimed and killed; political kidnappings and murder had taken place. It is easy for a member of the opposition to accuse me of "paranoia" about terrorist groups, but then what does this member know about national security? In fact, because I knew that members of the opposition parties knew very little about national security matters, I undertook, for the first time, to have the then leader of opposition briefed about security issues.

I repeat what I said this afternoon. No matter what I had been told about the APLQ's activities, under no circumstances would I have authorized an illegal break-in at the premises of the APLQ if I had had any prior knowledge of the operation. Had I been told about RCMP involvement in the break-in, under no circumstances would I have condoned it or covered up for the force. No circumstances can serve as an excuse for illegal behaviour not even with the best of intentions.

I have spent a good part of my life defending individual rights and civil liberties—as a student, as a private citizen, as a politician. If anything, I have been accused of being too staunch a supporter of individual rights. I was not naïve, however, in my support of individual rights and collective freedom; I took national security questions very seriously, seriously enough to show prudence, seriously enough not to condone illegal police activities.

● (0040)

In order to get a better grasp of security matters, I established the Security Planning and Research Group to assist me in analyzing the great volume of material passed on to me by the security services of the RCMP. The SPARG was designed to advise me on policy matters, not to engage in police operations. It is just impossible for the Solicitor General to analyse closely the masses of information conveyed to him by the security services of the RCMP. He does not have the time and all the expertise to do so. The SPARG worked in close co-operation with the security services of the RCMP, and in the final months of my mandate had also begun to link with the Commissioner of the RCMP becoming more involved in studying other types of police information.

When I established the SPARG, however, I was severely attacked by opposition members for setting up a group that would, in effect, review and analyze some of the material provided to me by the RCMP.

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but his allotted time has expired. He could continue past the 20-minute mark only with the consent of the House.

[*English*]

Is there unanimous consent for the minister to complete his remarks?

Some hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: Perhaps at the same time the minister might table the letter he referred to earlier in his remarks, pursuant to Standing Order 41(2)? For this, he does not require the unanimous consent of the House.

Mr. Goyer: Mr. Speaker, I am glad to table the letter I quoted from.

[*English*]

The opposition claimed the RCMP was very capable of reviewing its information itself, that no independent analysis was required, that I was threatening the independence of the force. It is ironic that now the opposition is conveniently accusing me of not having intervened enough in police operations.

I feel that I did a good job in dealing with the RCMP—improved recruiting standards, better employer relations mechanisms, a review of disciplinary issues, the abolition of certain questionable operations, namely, those pertaining to young informers, a renewed emphasis on white collar crimes, an increased emphasis on crime prevention, a more effective security service. I did not know that the RCMP was involved in the APLQ incident before, during or after the break-in.

One final comment: some members and journalists have tried to link this incident to the Watergate affair which occured in the United States. I wonder why Canadians are always so eager to emulate slavishly the United States? First of all, any comparison with the Watergate incident is so far-fetched that it is flabbergasting that anyone would waste his time attempting to make such a comparison. The Watergate incident involved the hiring of a group of men to take part in an illegal break-in and bugging of a recognized political party, for political purposes.

Various senior members of the U.S. administration had prior knowledge of the break-in, at least a few days after it had occured; senior members of the administration admitted trying to "pay off" the burglars to buy their silence, and in fact tried to cover up the whole matter. The APLQ incident is very, very different. First, no senior RCMP officers, no federal minister had prior knowledge of the break-in. No one was hired to do the job. The APLQ cannot justly be compared to the Democratic Party and, moreover, no political motive was involved. I was not informed of RCMP involvement in the incident; the Prime Minister was certainly not aware of the matter. No one was paid to keep his mouth shut. No minister was involved in a cover-up; on the contrary, as soon as a minister was in fact informed of RCMP participation in the break-in, an investigation was launched and charges were laid. One would have to have a very vivid and warped imagination to call this a "Watergate".

On the other hand it is obvious, given the nature of the debate which has taken place here, that members of the opposition have relied more on their imagination than on facts. Hopefully, their future statements will reflect more accurately what really happened.

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I am almost ashamed to take part in this debate following the former solicitor general, the Minister of Supply and Services (Mr. Goyer), a man who hears no evil, sees no evil, and speaks no evil. Seldom are we treated to such a sanctimonious performance and contribution as we heard tonight in the House.

The Minister said on several occasions today that he is willing to lay his job on the line if some hon. members made some charges and some accusations. I want to try to oblige this gentleman, who speaks with a squeaky voice, to see if I can arouse the minister's sensivity sufficiently to do what he promised, namely, stand up and resign his seat.

In 1973 the former great prime minister, Lester B. Pearson, said that if our security policy ignored or did not take into account the basic rights of the individual, it could operate not to defend but to destroy the liberties which were our first concern.

In February of 1974 our present Prime Minister (Mr. Trudeau) said, making reference to the security service, that the public security service is the custodian of part of the independence which every citizen yields so that the state may act with the necessary authority for the common good. He referred to this assumed mandate as a sacred trust. This was the very language that every despot who wished in the past to curb or destroy the rights of citizens employed. Given the lack of parliamentary control over the nation's security system and the Prime Minister's known predilection for conducting political vendettas for the benefit of Liberals, what assurance is there that the security measures are not simply a political weapon?

The Solicitor General calls his actions or the goings on in connection with the APLQ a very unusual and serious incident. He says the reason no action was taken in the case of Montreal was because it was a very isolated incident. But apart from the break-in at L'Agence de Presse Libre du Québec, we have heard about investigations in similar instances in Nova Scotia and New Brunswick. There is also the case of Katie Curtin and Sylvia Roche who were fired from their jobs at the Olympic Games in July, 1976, along with many others who were fired for security reasons. The reason I mention that case is that the lieutenant in the cross-examination by the Montreal police which investigated that incident said that Curtin and Roche were on the list of persons who were considered to be security risks. Corp. Gerard Lafond of the Quebec provincial police admitted at the same hearing that hundreds of files are maintained on persons who have never been arrested or charged, on persons who are suspected of being security risks. According to his testimony, duplicate copies were maintained by the RCMP.

● (0050)

I would like to deal first with some of the actors in this drama which is unfolding here tonight and has been unfolding in the last few days. First I will throw out a few names. There is the name of the Minister of Supply and Services (Mr. Goyer), and the name of Lt. Col. Bourne who was involved, as we know, during the war measures crisis, in the Prime Minister's office dealing with some of the troubles in Quebec. There are the names of Starnes, Dabros, Cobb, all people who came from various offices such as the Department of National Defence, the Privy Council office, the Prime Minister's office and the RCMP forces. They brought with them the mentality of the War Measures Act and the October crisis in Quebec. There was a communist behind every tree, there was a leftist everywhere, and we were all nervous. Eyes were looking out of every mail box.

An hon. Member: And bombs were in every other one.

Mr. Oberle: The present Minister of Supply and Services came to his position in the Prime Minister's office after having been parliamentary assistant to the hon. member for Eglinton (Mr. Sharp). Lt. Col. Robin Bourne was already doing security work in the Privy Council office and he linked up with the Minister of Supply and Services. Col. Walter Dabros was fresh from the battle grounds where he was fighting subversives on the campuses, and he brought his experience to this select group. Insp. Cobb did FLQ work in Quebec from August, 1966, to June, 1970. This group now became the custodians of

the independence we had to yield as Canadians to the government so that the state could protect the common good.

Now I want to speak about yet another break-in, another crime that was committed in support of the public good, that is, the crime that was committed during the break-in in the late 1970's in the office of the Praxis Corporation in Toronto. That group could be identified a little better. It was a group of individuals who formed a social action group. They came into this environment in response to the call for a just society, for participatory democracy. They were operating on grants, one particular grant given to them by the National Council on Social Welfare to organize a poor peoples' conference. They played their part in the grant economy of the late 1960's, encouraged of course by the Prime Minister who was going to make everybody equal and everybody happy.

They were called leftist because they were working with the poor people, getting them to participate, which the Prime Minister wanted them to do with the taxpayers' money. This same philosophy gave rise to rifling groups as well, some of them very radical. There were small vigilante groups operating at that time. The police, of course, aligned itself with right wing groups. In the case of Praxis one did not need to be a member of the RCMP to act under the protection of 141(2) which gives the minister the right to withhold evidence from the courts. All one needed to be was to be a member of one of these right wing groups, and as such one was granted immunity from the law. This is what happened in the case of the Praxis break-in.

It would appear that in the Praxis case there might not have been a direct involvement of a police force. In fact the government did not investigate this action as it did the case in Montreal, but our own investigation reveals that the police might have acted through agents, and one agent in particular who is no longer in the country. His life would have been in danger if the police had revealed his identity on January 24 when I introduced the black list in the House. It is now seven years after the event, but this person's life would still be in danger today. I ask myself who would do harm, shoot or kill this person who co-operated with the police at that time? Would it be the RCMP who would do it to conceal their involvement? Would it be a leftist or a rightist group? What kind of a society do we live in today when a person who collaborates with the police is in danger of his life?

Supt. Venner of the RCMP met the people who lost their files in the break-in. When the question of the obstruction of the investigative process of the Metro police by the RCMP was raised, Supt. Venner said:

Yes, we found ourselves in a dilemma of protecting this person. This was unfair to the Metro police but there was nothing we could do. If we gave out names, that would have put this anonymous person in danger.

The Solicitor General (Mr. Fox) knows what happened.

An hon. Member: The sly fox.

Mr. Oberle: When I introduced this matter to the House of Commons in the initial stages, everyone but the Solicitor General knew.

In the case of l'Agence de Presse Libre we are being asked to take the minister's word that there is no involvement. How good is the minister's word? How good has it been on other occasions? When the EPO matter was first raised in the House—that was after I had discussed it with the Solicitor General—he said he had never heard of such a thing. At that time I accused him and several ministers in the House of deliberately misleading the House. If the minister wants to accept that as a charge tonight, there it is. Of course several of his colleagues who were informed of the possible overthrow of the government by radical means were also totally ignorant of the facts until the list was read into the record of the House. This cured the minor cases of selective amnesia.

Mr. Fox: Mr. Speaker, I rise on a point of order. Would the hon. member be kind enough to indicate clearly who has misled the House? It is not too clear to me who he said it was.

An hon. Member: The Liberals.

Mr. Deputy Speaker: Order, please. I think the question is well asked. I heard the remarks of the hon. member and I hope he will make it clear that he is not charging that the minister deliberately misled the House, which is not permitted under our rules.

● (0100)

Mr. Oberle: Mr. Speaker, if the Solicitor General would research the record of that day, he would find where I made the charge. He would see the list of persons against whom I levelled the charge. If the shoe fits, anyone here may wear it.

Mr. Goyer: Come on, explain! Come on, chicken!

Mr. Oberle: If the Minister of Supply and Services would wait a moment, there is more to come.

Mr. Goodale: Hit and run; keep it up.

Mr. Oberle: The Minister of Supply and Services is one of my very special friends. There is more to come. Just hang in there.

Some hon. Members: Hear, hear!

Mr. Goyer: Be specific.

Mr. Oberle: The EPO list was read into the record of the House of Commons.

Mr. Fox: Mr. Speaker, I wonder if the hon. gentleman would allow me to come back to his point. I really wonder if he is accusing anybody on this side of the House of misleading the House. I bring the question up because before the parliamentary committee the hon. member said he had made this charge in the House, and that since no one had responded to him, obviously somebody had misled the House.

Would the hon. member please either tell me who on this side misled the House or retract his statement to the effect that someone misled the House?

Mr. Beatty: Give him a chance. Stop interrupting.

Mr. Deputy Speaker: I might say to the Solicitor General (Mr. Fox) that it is not considered unparliamentary to say that a statement is untrue, but it is unparliamentary to say that it is untrue to the knowledge of the hon. member making it, so I suppose by extension to say that a minister or a member might have misled the House is acceptable. Perhaps it is not recommended, but according to the rules of the House it is acceptable. However, what is not acceptable is to say that a member has misled the House to his own knowledge. This is what the hon. member more or less implied at the beginning. However, his remarks perhaps amounted to nuance. They were general, and in that case I do not think I have to intervene at this time.

Mr. Goyer: Gee whiz.

Mr. Paproski: Why are you so sensitive?

Mr. Oberle: It certainly shows how sensitive our friends over there are when someone refers to the list to which I have made reference.

Mr. Goyer: And how confused you are in your mind.

Mr. Oberle: Mr. Speaker, I hope that you will not deduct from my time the time these gentlemen are abusing by way of interruption.

An hon. Member: We extended their time.

Mr. Oberle: The letter which was read into the record of the House of Commons, which these people did not remember, read in part like this:

> Through such institutions the New Left seeks to organize and radicalize the 'underclasses' of society and mold them into a revolutionary force capable of overthrowing the present socio-political system . . .
>
> The radical EPO program of the Left is, in short, a movement strategy predicated on a total and unequivocal rejection of representative democracy, its destruction and the creation of radical alternatives.

An hon. Member: Who signed that?

Mr. Oberle: That would mean it would have to be more radical than what we have now, and this letter was signed by Jean-Pierre Goyer, Solicitor General of Canada.

Some hon. Members: Shame!

Mr. Oberle: How paranoid can one single person get? In the case of Montreal we do not know what happened to the loot that was stolen. In the Praxis case we do know. The crime was followed by a series of incredible events. There was the illegal possession of the documents that were stolen. The minister's officials, through the RCMP—which had, incidentally, destroyed quite a few of the files that were stolen—compiled the evidence taken in that break-in which was brought to the then solicitor general. Evidence which was compiled and brought together from other police operations formed the basis for the EPO concept. The blacklist practice is, in my opinion, a Star Chamber technique. The Star Chamber, as we all remember, was an ancient English court dispensing justice without a jury, which met in a chamber in Westminster Palace, the ceiling of which was decorated with stars. The only problem is that it was abolished in 1641 to end arbitrary and secret tribunals of the type this government is still carrying on today.

An hon. Member: Goyer brought it back.

Mr. Oberle: It was that minister right there who took the stolen property and converted it into his infamous blacklist, and attached to this list was another list with the names of 21 innocent Canadians who are still today affected by this smear campaign and by the actions of this government. As a matter of fact, there are now several lawsuits against those two ministers over there. Writs have been issued in the courts for libel. That is what these people are—

[*Translation*]

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

Mr. Deputy Speaker: The Minister of Supply and Services (Mr. Goyer) on a question of privilege.

Mr. Goyer: Mr. Speaker, I should like the hon. member to say who sued me in this case and when?

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

Mr. Deputy Speaker: The Solicitor General on a question of privilege.

Mr. Fox: Unless I am mistaken, Mr. Speaker, the hon. member stated, when referring to these two gentlemen and to the commission of a criminal offense, that I was guilty of libel. I therefore request the hon. member to retract immediately what he has just said or explain his statement, for the way I understood it, he said, referring to me, that I was guilty of libel.

Mr. Deputy Speaker: Order. I must point out to the Solicitor General that if those words were spoken, I did not hear them. I shall have to check *Hansard*, which I shall do tomorrow. Then, the Solicitor General can use his first privilege, that is rise on a point of order, unless the hon. member for Prince George-Peace River (Mr. Oberle) himself, knowing what he said, changes or withdraws his words.

[*English*]

Mr. Oberle: Mr. Speaker, I too will examine *Hansard* tomorrow to see what the Solicitor General has said. If I offended his privilege, I am prepared to withdraw these comments either now or tomorrow. I am not like the government. I think that the judicial action which will be launched against these gentlemen should take its course before we identify them for what they are.

Mr. Malone: He didn't say what you are.

[*Translation*]

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

Mr. Deputy Speaker: The Minister of Supply and Services on a point of order.

Mr. Goyer: Mr. Speaker, I rose on a question of privilege because the hon. member said that several judicial actions have been taken against me, and also because I support what the Solicitor General (Mr. Fox) said, that is, that I protest strongly. I therefore ask the hon. member to withdraw his words with regard to the libel he claims I am responsible for against Canadians. I ask the hon. member, if he cannot say who made the accusation against me, to withdraw what he has just said.

● (0110)

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I can understand how the former solicitor general, the Minister of Supply and Services (Mr. Goyer), would be quite upset because we are getting awfully close to the truth. I can understand that. Dealing with the question of privilege, however, I can tell him that one of the people who has issued a writ against him is a constituent of mine by the name of Ian Keith Carruthers. It was issued within the last two weeks.

An hon. Member: And what about Stopworth?

Mr. Baker (Grenville-Carleton): It was about the question that I asked the Minister of Justice (Mr. Basford)—asking for some justice—

Mr. Goyer: When was it served?

Mr. Baker (Grenville-Carleton): With respect I am sure the Solicitor General heard it in the House today. As I understand it the writ has not been served, but I want to say to the House that the writ has been issued. If it has not been issued I will apologize to the Minister of Supply and Services. I suggest that he send one of his gumshoes down to the Supreme Court of Ontario office at the Court House to check the record.

An hon. Member: Go away to Africa for three days.

Some hon. Members: Hear, hear!

Mr. Goyer: And you are a lawyer!

Mr. Baker (Grenville-Carleton): I think it is extremely important. The Minister of Supply and Services asked for information. I have given him that information. He can check its veracity, and if I am wrong with respect to the issuance of that writ then I will apologize to the minister. I think that ends the question.

Mr. Deputy Speaker: Order, please. The hon. member has made a point of clarification. I am not in a position to decide whether this corresponds to facts or to court actions, or not.

[*Translation*]

The Minister of Supply and Services surely made a valid point if he thinks that an hon. member claims a charge was laid against him and that the charge is not substantiated or at least that procedures were not taken. However, I must say that the Chair cannot control the content of the speeches, the truth of all that is said. If the minister feels frustrated and attacked in his integrity, I think he has the right to make a correction, and I hope the hon. member who was had the floor will be able to bring some precision in his remarks and clarify the situation.

[*English*]

I would hope that these insinuations about law suits or pretented lawsuits could be clarified in a way so that no member would feel his reputation has been attacked.

The hon. member for Prince George-Peace River (Mr. Oberle).

I might say that the hon. member has gone well beyond his time and I have started to allow him extra time. Maybe if we sum up all the time that has been taken on points of order I shall give him an extra five minutes. After that I shall have to tell him that his time has expired.

Mr. Oberle: Thank you, Mr. Speaker. You are most generous and most kind.

Mr. O'Sullivan: Especially for a Liberal.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I do not think that is the kind of remark that should be made in this place.

Mr. O'Sullivan: Mr. Speaker, the comment, of course, was provoked by the rudeness shown the Leader of the Opposition (Mr. Clark) tonight by the other side. In so far as Your Honour occupies that position with great dignity, I withdraw the remark completely, having made the point about the rudeness that the other side did not withdraw when they shouted down the Leader of the Opposition as he was stating the truth.

Mr. Deputy Speaker: I am very grateful to the hon. member.

The hon. member for Prince George-Peace River (Mr. Oberle).

Mr. Oberle: Mr. Speaker, I will come to the conclusion of my remarks and will not abuse the graciousness of yourself and my colleagues.

I must sum up by saying the fact is that the former solicitor general, the Minister of Supply and Services, knew when he drafted and signed this letter "Jean-Pierre Goyer" that he had in his possession and the possession of his department, stolen materials. There is no way he could not know because it was widely reported, in Toronto and throughout the country. It was on television and in the newspapers that there had been a break-in.

Not only that, Mr. Speaker, but by sheer coincidence while these people were going in there, whoever they were—yesterday I gave the Solicitor General some indication of who it might be and he promised to investigate—I am fair with him;

he says we must give him information and I did. I give him another day or two days if he wants it, but then we need an inquiry. We cannot let it go forever. This man knew he was dealing with stolen material—

[*Translation*]

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

Mr. Deputy Speaker: The Minister of Supply and Services on a question of privilege.

Mr. Goyer: Mr. Speaker, the hon. member must have lost his head. If he wants to lay charges, let him do so with facts and not with innuendoes and let him prove what he just said in a clear and precise manner. Then I will be ready to discuss the question. Otherwise I think the hon. member should have enough respect for this institution to know that when an hon. member speaks, he must state facts and refrain from making false innuendoes.

Mr. Deputy Speaker: Order, please. I must point out to the minister that in my opinion the hon. member was talking about papers which were stolen one way or another in an illegal break-in and which were in the hands of his department, I guess, through the Royal Canadian Mounted Police. I am obliged to give him the benefit of the doubt—

Mr. Goyer: I knew—

Mr. Deputy Speaker: The Chair did not understand that the minister himself was accused of having these papers in his possession. It may be because it is getting late but I hope once again that the words and interventions of the hon. member—

[*English*]

—would be put in perspective as to where these documents were and had been kept.

Mr. Oberle: Mr. Speaker, the hon. minister was lamenting all day that someone should lay a charge. He has put his seat on the line.

Mr. Goyer: Lay one.

Mr. Oberle: Mr. Speaker, what else can I say? Here in this letter is the information that was stolen at Praxis Corporation in Toronto. It is under the minister's signature. What else do we need?

Some hon. Members: Hear, hear!

Mr. Oberle: He cannot hide behind the police forces or one of his officials. Jean-Pierre Goyer is the man who signed the letter. He is the man who smeared names and destroyed the careers of innocent Canadians.

Mr. Goyer: What is the accusation? Put it.

An hon. Member: You signed the letter.

Mr. Goodale: You are wearing a wool suit; did you kill the sheep?

[Mr. Oberle.]

Mr. Oberle: Mr. Speaker, I want to bring this to a conclusion to allow the hon. member for Central Nova (Mr. MacKay) to finish up. I should like to add to a former Prime Minister's words when he said if the government, through it security forces, ignored or did not take into account the basic rights of the individual they could operate not to defend but to destroy the liberties which are our first concern.

The minister said twice or three times that he would put his seat on the line if he were found guilty of some of the allegations that have been made. I invite him now to resign.

Some hon. Members: Hear, hear!

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I believe my hon. colleague across the Chamber is a counsel. I understand he is, but I do not see why he would be so sensitive about the mention of some of the many people who are widely reported to be suing him. Certainly I have been sued, but I am not particularly sensitive about it. Charges have been made against me by a corporation. As far as I know they are still in effect; it does not bother me, particularly since the corporation suing me was convicted on eight counts of doing what I said it was doing.

● (0120)

I wish the minister well in his defence of those actions brought against him by people like Rudnicki, Stopforth and others. I am sure justice will be done, and I urge my hon. friend not to be too sensitive about these things, particularly in view of the amazing speech he made. After listening to him I expected the grateful members of the RCMP, in recognition of all the wonderful things he said he has done, to take up a collection for a statue, to be erected in his honour in some suitable place. It would commemorate all the wonderful improvements he read into the record this evening. But the improvements have not been so manifestly obvious as to prevent the present Solicitor General (Mr. Fox) from saying, honestly, that things still are not as they should be after five years, and that changes should be made. On this point I do not recall hearing the present Solicitor General tell the House, except generally, by way of reference to the matter, that some of the Marin commission recommendations have been implemented. I stand to be corrected, but I know of no tangible evidence showing that these improvements have been made.

Our solicitors general, present and previous, both know full well that there have been many cases of the most serious injustice affecting members of the RCMP who have been summarily kicked out of the force pursuant to section 173 without the semblance of a hearing. If the former solicitor general were such a compassionate man and so concerned about the force, surely during the past five years he would have done something to bring justice to those RCMP officers, some of whom have been badly treated, and some of whom are still being badly treated.

I associate myself with the remarks of the hon. member for New Westminster (Mr. Leggatt). Tonight we are not talking about a matter of provincial jurisdiction. We are talking about

the national police force, and we are talking about matters of national security. How you can say that matters of national security involving the national police force fall within provincial jurisdiction, to the extent that there is no need for the federal government to look into them, escapes me.

There are reasons, I hope I am not being cynical, for this government to abandon its responsibilities to the government of Quebec. I have no quarrel with the Quebec government getting no more than any other government, but the government's attitude is strange, if one may judge on the basis of the government's confrontationist attitude which has characterized many of its negotiations. I suggest that, with respect to many areas, this government would not invite the government of Quebec to lunch; but it is prepared to leave an important matter involving our national police force exclusively to the province of Quebec. It knows full well that the terms of reference set out in the Solicitor General's statement do not adequately cover some of the important items about which we are concerned tonight.

Obviously the implications of this matter go beyond the simple break-in at the Quebec news agency premises. Therefore it seems to me ludicrous on the face of it to suggest that the Quebec hearing is adequate and will cover the topics we are discussing tonight. Actually the Solicitor General declined, I suppose for good reasons, to answer my specific question as to whether he would volunteer to appear, or if any of his colleagues would volunteer. He knows full well that, because of the terms of reference of that inquiry, such appearance would not be appropriate, and he probably could not be forced to appear in any event.

Also, in the circumstances, are the documents the Quebec inquiry may require obtainable by way of subpoena? I understand the Minister of Justice (Mr. Basford) has looked into this and has not yet come to a conclusion. I may be wrong but I think the government should look into whether, in the circumstances, these documents ought to be or indeed are available, in law, to this inquiry.

I was interested to hear the former solicitor general, now the Minister of Supply and Services (Mr. Goyer), refer to the Hamilton Harbour matter. He brought it up, and we should look into it, because sometimes the more things change the more they remain the same. There is a curious air of déjà vu about this whole affair. I happened to look into a press release covering this matter. The then acting prime minister, the hon. member for Eglinton (Mr. Sharp), was questioned by a newspaper reporter. The reporter asked:

> What is the government's disposition regarding the most recent allegations concerning Mr. Goyer and has there been any decision to allow Mr. Goyer or to encourage Mr. Goyer to go before a Commons committee to get this matter out into the open and on the table?

That has a curiously familiar ring. The then acting prime minister was then asked the following question:

> Could you tell us what you discussed with the justice committee members of the Liberal party in the behind-the-scenes room?

To which he gave the following answer:

> I don't think I'm under any obligation. But as the Acting Prime Minister and as the House leader, this is the ordinary thing that happens. When some extraordinary matter arises in a committee they come to me for advice; I think I gave them good advice.

I do not question the procedure of the committee. I was at the committee that night. The present Solicitor General was there; the Minister of Supply and Services was there; the Commissioner of the RCMP was there. The Minister of Indian Affairs and Northern Development (Mr. Allmand) was there. It was curious to see two men, one of whom had been the solicitor general and the other of whom was the Solicitor General, sitting side by side, each making statements for the other, each trying to explain who was right at the time. Did Mr. Campbell make a mistake? The present Minister of Supply and Services said he did. Again, we wondered who was telling the truth. It was an unsatisfactory exercise, leaving us frustrated for, as we know, committees are not the best forums for dealing with such matters.

One thing which the Minister of Supply and Services said in that affair ought to be repeated in the context of this debate. He said at the meeting of the justice and legal affairs committee on Monday, March 17, 1975:

> Just take into consideration that it is not my role to make a judgment on each and every bit of information we receive in the department to decide whether or not that information should be transferred to police or the concerned department. It is automatically done. It is then up to the police or the department concerned to decide whether or not that information is valid and if you can base an inquiry on those allegations. We receive hundreds of pieces of information of that sort. When it is a matter—

And I emphasize this point, because this is a security case.

> —of direct concern for my department, like security cases, then, of course, I would put my mind to it and discuss it directly with the head of the Security Services or with the Commissioner himself, generally speaking, with both of them.

I believe Sessions Judge Roger Vincent mentioned that aspects of security were involved in the case he tried. In any event, I do not know if the solicitor general of the day went to the Commissioner of the RCMP. Perhaps he can elaborate later. He does not appear to have paid particular attention to the matter which has been a matter of concern for this House and country for some time. As I say, the more things change the more they remain the same.

Obviously, during the past five years not many improvements were made to the RCMP.

An hon. Member: The present Solicitor General is an improvement over the old one.

Mr. MacKay: I concede that the present incumbent is a vast improvement, and no disrespect is intended; but that is how I feel. Despite the relatively good performance of the present Solicitor General, it is obvious that at least two of his predecessors behaved badly. As the leader of the NDP said, it is a good thing there was a back seat driver, because nobody was out in front.

Mr. Goyer: How about your two tons of accusations? Explain that.

Mr. MacKay: Mr. Speaker, my learned friend will understand the argument of *res ipsa loquitur*—the thing speaks for itself.

● (0130)

Mr. Goyer: Two tons of documents. You are quite intelligent. Explain that.

Mr. MacKay: All right. How much does ten lineal feet of files weigh?

Some hon. Members: Hear, hear!

Mr. Fox: Twenty-five feet, 500 pounds.

Mr. MacKay: Well, that is not bad. Five hundred pounds were destroyed on the day that I said. We will get into those questions later. I remind my learned friend without being objectionable, and I say this to him with the greatest of respect, my track record for providing information in this House is considerably better than his.

Some hon. Members: Hear, hear!

Mr. MacKay: I am just a poor backbench opposition MP while this man is a minister of the Crown with all the resources behind him. Who knows, as the saying goes, what revelations lie ahead when the Hamilton Harbour matter has finally cleared the court, but that is for another day.

There is certainly every reason why we need a federal inquiry into this matter. The Prime Minister (Mr. Trudeau) said, for example, and I quote:

> Mr. Speaker, I for one, as a Canadian, would not admit that we have lesser rights than the Americans. They may have more abuses there and that is why, perhaps, they have to be corrective measures. I do not think the people suspect the RCMP of conducting themselves as the FBI do.

I suggest that is probably the case. However, if we have further examples of the lack of direction, lack of communication, and lack of responsibility that have been exhibited over the past number of years by solicitors general, the people of Canada will become convinced that no one is giving the RCMP the type of guidance and direction that it requires.

The RCMP, as my friend from New Westminster said, is a fine police force, one of the best in the world. There are 19,000 of these people. They are one of the institutions in this country that Canadians respect and look up to. The very fact that they are such an institution makes this minister, who was responsible for them and who refuses to accept a responsibility, all the more culpable.

I tried to suggest to the minister this afternoon, and I am sorry he is so sensitive about it, that he would have been far better received had he in his exculpatory statement accepted the fact that it was his misfortune to be minister at a time when some of these unsavoury incidents happened. The minister would not necessarily be held in any less repute if he took some of the fault for this, but no, he will not accept any responsibility. He said to me in his reply that a lawyer would be very unlikely to brief his partners if he left a law firm. In other words, he would walk out and leave his files. How ridiculous! Why did he not brief to a greater extent his successor, now the Minister of Indian Affairs and Northern Development?

When solicitor general, the Minister of Indian Affairs and Northern Development was questioned quite regularly in this House, not just by myself but by members of the NDP and the Social Credit. I remember one question by the hon. member for Maisonneuve-Rosemont (Mr. Joyal). I also remember the then solicitor general saying he now had a complete report from the RCMP, which he has yet to table a year later.

Surely the then solicitor general ought to have briefed his successor fully on matters such as this and, goodness knows, other things, but there is no indication that was done. It makes one wonder how much knowledge this minister had to pass on to his successor. Did he really know what was going on? Did he have anything to tell his poor, unfortunate successor who had to cope with the mess in the department, a mess which the present Solicitor General has conceded still exists? The present Solicitor General apparently, and I accept his word, is working hard to try to correct it and will bring in legislation this fall. That is five years after the date of some of the circumstances that obviously aggravated or prompted the need to make such changes. That is not performance. A five year delay in correcting abuses into justice is not a very good performance. A lot of people have served time since then, got out, and paid their debt.

Some hon. Members: Hear, hear!

Mr. MacKay: There is no doubt that the inquiry going on in la belle province can perform a useful function. But its limitations were starkly outlined in the statement by the present Solicitor General. He recognizes the limitations. He is quite correct to be concerned about a fishing expedition by any province into some of the security matters of the RCMP whereby they have to cope with Russian intelligence, Chinese intelligence, and Cuban intelligence, and the minister knows all about that.

Not to take his responsibility for the federal police force, and not to get a commission or inquiry to allow some needed changes and show how the relationship at the top between the minister's office and the RCMP can be improved, is not in the best interests of the government or the country.

I also put it to the present Solicitor General that if improvements and changes, which he conceded are needed, result from the recommendation of an independent, responsible inquiry or commission comparable to the Marin Commission, which did not have a mandate to discuss this particular aspect, they will be perceived to be far more even-handed and appropriate than arbitrary changes implemented by the two parties whose conduct is under suspicion.

There has to be some sort of an agency, inquiry, commission or something, to put these needed changes forward in such a way that they will have the confidence of everyone, the House of Commons and the people of Canada. This is something to which the Solicitor General ought to address himself.

The hour grows late. There is no need to go over some of the details and indulge in the recriminations, although in many cases what we heard tonight was deserved.

In conclusion, I will just say that the RCMP, like fire, is a good servant but a bad master. No police force can be allowed to operate with impunity, to investigate itself and in some way to make decisions that are the prerogative of the minister to whom the force is responsible. We have seen strong indications that this has taken place in at least one incident, the one we are talking about tonight. We have seen indications in reputable publications in this country. Indeed I have been told, and I suspect the minister has been told, that such operations do go on.

On one occasion I spoke with a man who, when he was the force, was responsible for doing illegal wiretaps. He said to me that he accepted the responsibility, and that he knew that if he was caught he would be burned for it. He said that he managed to get the extra expense on his expense account, although in some cases it cost him money. I am very serious when I say that. I know the Solicitor General has talked to similar people.

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

Some hon. Members: Continue.

The Acting Speaker (Mr. Turner): Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. MacKay: I thank my colleagues. I am about to conclude.

I wish to refer to excellent opinions on this subject from very erudite and dispassionate people who are concerned about it. One is W. A. Wilson, a columnist with whom most of us are familiar. Mr. Wilson makes some very interesting points. For example, he said that a royal commission on security some years ago concluded that security service perhaps should not be part of the RCMP's mandate. Sometimes security measures are so sensitive and require such extraordinary procedures that they should not be a responsibility of the RCMP because, when something goes wrong in the carrying out of this necessary work, the force tends to fall into disrepute.

• (0140)

Mr. Fox: So you condone what happens?

Mr. MacKay: No. You are the one who condones what happens.

Mr. Fox: Would the hon. member permit a question?

Mr. MacKay: Certainly, but I am just about to conclude. At that point I will be glad to accept a question.

The other column I have in mind is that of Mr. Richard Gwynne who also had some interesting things to say about this matter. He said some things which are very sarcastic, very harsh, so I will not put them on record, just to show how sensitive I am. But I suggest the former solicitor general, as well as the present one, should read this article, as well as the other, because both columnists have put forward some good thoughts and suggestions.

Mr. Fox: The hon. member has referred to the article by Mr. Wilson. I wonder whether he subscribes to the view that a minister of the Crown should be entitled to give his permission to the carrying out of an illegal or covert operation.

Mr. MacKay: I would say that if such illegal or covert operations are necessary in the interests of national security, it would be much better if a minister of the Crown were aware of them. This is the type of question to which very serious thought should be given.

Mr. Fox: The point is an interesting one. I, for my part, do not believe any minister should ever sanction an illegal operation. Does the hon. member not believe that if certain things have been done in the interests of national security the House of Commons should proceed by authorizing the solicitor general to give consent? The subject of this debate is whether or not a minister of the Crown was aware of an illegal operation, and members opposite are saying that if that was the case he should resign. Now, the suggestion is that in some circumstances it would be appropriate. If it is, we should, through the proper legislation—

The Acting Speaker (Mr. Turner): Order. I suggest to the minister he is now getting far beyond a question. He is getting into debate.

Mr. MacKay: If it is necessary on the grounds of national security, if it is truly a matter of security—which obviously this tawdry instance is not—it would be far better for the minister to have extra powers and I would not be adverse, personally, to giving the Solicitor General additional powers if he could convince the House, as he might, that this would help him do his job better.

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, I rise to enter this debate because of the seriousness of the matter brought to the attention of the House by the hon. member for Oshawa-Whitby (Mr. Broadbent).

I noted with interest the remarks of the hon. member for Central Nova (Mr. MacKay). He referred to himself as a poor backbencher, but I believe he is very modest in his comments about himself. I noted with interest his remarks on the column written by Mr. Wilson. Although I have not seen the blues of the transcript it seemed to me he said that a minister, if he is aware of an illegal act, or covert action, sanctifies it by that knowledge. This government is on record as saying that the government is not beyond the rule of law. This is certainly the crux of the whole argument.

Other issues were raised in that article by Mr. Wilson. He discussed whether security operations should or should not be conducted by a separate force. The Leader of the Opposition (Mr. Clark) alleged earlier today that the former solicitor

general sanctified the break-in. There was another allegation that he covered up after he had learned of that break-in.

The hon. member for Central Nova put forward an interesting proposition. He stated that maybe parliament should pass an act having to do with federal employees, or employees of federal agencies who commit criminal acts in certain circumstances. I find that interesting, especially as when an offence is committed in a particular province it surely falls, under our constitutional system, within the purview of provincial attorneys general.

I also noted with interest the remarks of the hon. member for Prince George-Peace River (Mr. Oberle). On one hand he alleged that we on this side did not have sufficient control over national security forces. Yet at the same time he alleged we were exercising control in favour of Liberals. Hypocrisy! He cannot have it both ways.

He went on to suggest there was no parliamentary input into the whole question of the national security group which advises the government. I would point out that when this matter was brought up recently in the Standing Committee on Justice and Legal Affairs the hon. member for Yukon (Mr. Nielsen) requested the Solicitor General (Mr. Fox) to arrange a meeting in camera to discuss the whole issue of national security. The minister agreed. Similar in camera meetings have been held in the past, and I find it hard to accept the statement that there has been no parliamentary input with respect to this group.

It goes without saying that the rule of law must be paramount in a democratic society such as ours. The Solicitor General has stated on a number of occasions that if the RCMP break the law they will be held responsible.

An hon. Member: They did break the law.

Mr. Lee: The RCMP are not above the law. There can be no compromise in this regard. It is upon this premise that the integrity of our democracy and its liberties are based. During the past few days in the course of other debates on the subject of alleged cover-ups and conspiracies on the part of the government I have witnessed the methodology used by members opposite, with much dismay. Unquestionably they should be allowed to pursue their inquiries with vigour. That is their proper role. However, I submit they must act responsibly.

● (0150)

Yesterday the hon. member for Central Nova posed the following question to the Solicitor General:

> Mr. Speaker, my question is also directed to the Solicitor General. Could the minister confirm reports, which I have received, that up to two tons of confidential files and data were destroyed by the RCMP in Montreal on June 2 and June 3, 1977; and could he confirm further that this action, involving the destruction of probably hundreds of man-years of work by the force, was initiated because of the implications of an inquiry being conducted by the government of the Parti Quebecois, rather than under federal auspices? Finally, will the minister tell us whether he or the Minister of Justice were consulted before this action was taken, and did he approve of it?
>
> [Mr. Lee.]

The Solicitor General answered:

> Mr. Speaker, as I understand it, the hon. member is referring to the destruction of documents which would have taken place during the course of the past month. As far as I am concerned, I am not aware of any destruction of documents whatsoever. If the hon. member is aware of the destruction of documents in the furtherance of a possible cover-up of an illegal action, it is incumbent on him to give me the evidence so that appropriate action can be taken by this government.

Today the hon. member for Central Nova qualified and limited his question respecting the allegations that he made on Monday, June 20, 1977. If the hon. member had chosen to discuss the matter with the Solicitor General prior to making his allegations, I am confident that the hon. member for Central Nova would have been satisfied. Indeed, it might have saved him embarrassment. Unfortunately this is not the intention of the hon. member. Instead, it is abundantly clear to me that it is his intention to raise fatuous allegations like the destruction of documents, which could have been cleared up with the Solicitor General before going public. Instead, his actions leave me with no conclusion but that it is his intention to denigrate the reputation of the Royal Canadian Mounted Police.

If the hon. member for Central Nova is truly concerned about the reputation of the force, then I think it is incumbent upon him to act in a responsible manner. Instead, it appears to me that the hon. member is doing the very opposite of what he says his intentions are, namely, he is making fatuous allegations and innuendoes. He is attacking the fine reputation of the Royal Canadian Mounted Police.

Similarly, I submit opposition members have not acted in a responsible manner and have denigrated the reputation of the force. I reiterate that there is no argument that members of the opposition should raise questions about illegalities involving the force; but I submit that these matters should be checked and verified with the Solicitor General first. I submit that this is only fair and reasonable if they really have at heart the reputation of the force, as I think all Canadians have. Instead, they seem to be satisfied in making generalized allegations which bear upon the reputation of the force.

It is very easy to do this. I remember hearing allegations made about the RCMP as a member of a community of Chinese ancestry. These allegations concerned harassment and abuse by the force. Over time I had the opportunity to check and verify these allegations and I found them to be nothing more than allegations. So I can sympathize with hon. members of the opposition and understand how they arrived at some of these allegations.

The other week I was on a radio hotline show in my area. Listeners were questioning me about the force, and one related to me an incident in which he was involved where a member of the force had issued him with a speeding ticket. This listener went on to say some very sour things about the force, and when I queried him about the basis for his remarks the listener said that all RCM Police are crooks. He also said to me: "Haven't you been reading the newspapers, watching television and listening to the radio?"

This clearly indicates to me that when hon. members opposite make generalized allegations and innuendoes, they denigrate the reputation of the force in the result. The Canadian people are fortunate in having one of the finest police forces in the world, a force which is envied by many others.

Mr. O'Sullivan: We have said that.

Mr. Lee: Live up to it, then.

There are approximately 12,000 uniformed members of the force. They are dedicated men and women who, by and large, are beyond reproach. When I was in the Okanagan Valley of British Columbia just recently I had an opportunity to meet some of the members of the force. Among other matters that we discussed they expressed to me real concern about our proposals respecting the young offender. They are involved with youth, volunteering their services to Scouts Canada and other worth-while organizations. They mentioned to me the lack of facilities and resources to look after youth offenders. I mention this because Canadians are aware that they are fortunate in having such dedicated men and women on the force. These are the people we are talking about when we discuss the Royal Canadian Mounted Police.

In closing, Mr. Speaker, I think it is incumbent on opposition members to exercise responsibility in raising questions about illegality in connection with the force. Instead they have raised fatuous, generalized allegations and innuendoes. If they have at heart the reputation of the force, I submit that when they have allegations to make they should be specific in nature and not generalized, as has been the case in the past and again today.

I should also add that I am surpirsed at the remarks of the hon. member for Central Nova in agreeing with the statement of Mr. Wilson in his article that ministers of the Crown should sanction covert and illegal acts. That is what happened in the United States when the Watergate issue was raised.

Mr. O'Sullivan: They also stonewalled in the United States.

Mr. Lee: What kind of stonewalling are you talking about here today? The Solicitor General has given an answer and made a statement in the House. Did the President of the United States have to stand up in Congress and make a statement? Did not the former solicitor general, the Minister of Supply and Services, give a statement? What kind of stonewalling is that?

Mr. Hnatyshyn: There was a statement in the United States too.

Mr. Baker (Grenville-Carleton): Don't defend too hard, Art. You have a bad case.

Mr. Lee: The hon. member says we have a bad case. Let me close by saying I am really surprised at the remarks made by the hon. member for Central Nova. I certainly hope that under this government we would never authorize covert illegal actions.

● (0200)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I was not going to speak tonight. I told the parliamentary secretary it was not my intention to speak unless he spoke. Since he has taken that option, I thought I might just cap off this debate and make a few remarks with respect to what has transpired. I will do it very quickly.

I want to start off by expressing on behalf of my colleagues our great appreciation to the staff who have stayed here long hours and have worked hard doing so.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Regardless of our party, we appreciate their extra endeavour tonight on this very important debate.

The parliamentary secretary makes reference to the fact that somehow the theory of this particular government is that ministers are not responsible, and members of parliament must not ask questions relating to the RCMP and the Solicitor General's functions at any time. That is the only conclusion which comes from the various discussions, representations, and statements made on the part of government spokesmen tonight. It ill behooves the parliamentary secretary, the Minister of Supply and Services (Mr. Goyer), and the Solicitor General (Mr. Fox) to make any critical remarks with respect to the hon. member for Central Nova (Mr. MacKay) concerning his role in this whole affair. This debate arises by virtue of the initiative and persistence of the hon. member for Central Nova.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The parliamentary secretary said that we should not be asking questions in respect of the RCMP. This is a very interesting proposition. Of course he is going to stand now and make a facetious point of order.

Mr. Lee: Mr. Speaker, I did not say that. I said that they should check and verify things before they ask questions. That is only reasonable. I also said that they should continue to pursue with vigour, but that they should do so reasonably.

Mr. Hnatyshyn: This is precisely the kind of responsible questioning which has led the Speaker of this House to come to the conclusion that this particular matter requires a special debate under Standing Order 26.

As to any particular suggestion on the part of the parliamentary secretary, the Minister of Supply and Services or the Solicitor General that we have not been responsible with respect to questioning in this House, that is unfounded. The New Democratic Party, the Social Credit and one of their own backbenchers have asked questions with respect to this particular break-in. If the parliamentary secretary wants to go to caucus and chastize, as does the Minister of National Health and Welfare (Mr. Lalonde), the hon. member for Maisonneuve-Rosemont (Mr. Joyal), then let him do it in private and not waste the time of this House.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The simple conclusion one can reach with respect to this matter has two aspects. First, all along during the course of the questioning there was a resistence and a repugnance on the part of the government with respect to questions raised by opposition members as to the circumstances, the background, and the ministerial involvement concerning the break-in at L'Agence de Presse Libre du Québec.

Only this month the Prime Minister (Mr. Trudeau) attempted to split hairs and suggest to the House without equivocation that the Minister of Supply and Services, the then solicitor general, had absolutely no knowledge that the RCMP were involved because the letter which was sent to his office only referred to police. It was subsequently pointed out to the Prime Minister and the Solicitor General that there was no simple deduction which could be made by the Prime Minister on the basis of his discussions with the Minister of Supply and Services. That was because there was a telegram attached to that letter. It was addressed to the Assistant Commissioner of the RCMP in Montreal. It specifically asked about their involvement and thereby implicated the RCMP.

Then we have the Solicitor General telling us in his prepared statement that he is satisfied that the Minister of Supply and Services knew nothing until March of 1976, based on his investigation. In the next paragraph he has the audacity and temerity to point out the fact that there was a discussion and a consideration by the Minister of Supply and Services with respect to the allegation of the illegal break-in of the APLQ directly after that break-in. The Minister of Supply and Services answered tonight that he could not believe this particular proposition. The combination of that peculiar logic and rationale stretches our incredulity. If you combine with that the attempt of everyone in the government to make us believe that there was no knowledge of any RCMP involvement, it cries out for an independent inquiry into this whole proposition. The suggestions made by hon. members on this side are justifiable and should be acted upon.

The Solicitor General has made reference to the Quebec inquiry. He made a suggestion that the Alberta situation was somehow similar. There is a very, very important distinction in that situation because in Alberta there is no involvement of a cabinet minister. In this particular case it is not only a question of RCMP involvement, of wrongdoing, and a possibility of cover-up in the senior echelons after being told of the illegal break-in, but the instance extends directly to the doorstep of the Minister of Supply and Services.

The Minister of Supply and Services takes exception to my statement in this House, which I do not retract one bit. In my experience in this House of Commons since 1974 this man has been involved in three scandalous instances. The word "scandal" covers a wide sector of inappropriate, incompetent, and wrongful acts, in my view. We were involved in an explanation by the Minister of Supply and Services with respect to the Hamilton Harbourgate matter for which he bears no responsibility because his office staff failed to communicate the information received from the Controller in Hamilton. Next we had the Lockheed procurement situation. What is not scandalous about a billion dollar contract which is not reduced to writing in a department responsible for that particular transaction? Probably that was the only thing which preoccupied him in that department. Finally, we have an admitted illegality with respect to the RCMP break-in of the APLQ.

In each case the Minister of Supply and Services has used the same device. He does not accept responsibility for what has transpired. He sloughs off the blame. In this case he blamed the RCMP; he has blamed his executive assistant; and he has fired Larry Stopforth. The same pattern always develops every time this man gets into trouble, and now he is telling us to accept that he was not guilty of any act of commission or omission. As far as our party is concerned, that is not acceptable.

• (0210)

As far as I am concerned, if the government fails to take steps to have an inquiry with respect to this incident, there will be an outcry from the people of Canada that the government will hear for some time to come.

Some hon. Members: Hear, hear!

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have one or two brief comments to make. I find it somewhat regrettable to have to rise this evening to level accusations having listened to the personal defence statements of prominent members of the government in recent weeks, recent months. I have listened to them trying to rationalize their positions with respect to matters that are of concern to the Canadian public.

I rise to pose at the close of this debate one primary question, and I direct it to the Solicitor General (Mr. Fox) who has had the courtesy to remain in his seat after one who used to be a very dear friend, and I hope who is still an honourable friend, has left the Chamber. I hope he left the Chamber because he was tired at 2.15 in the morning. I rise to ask a primary question on the responsibility of the government in using acts of parliament respecting the Canadian military in pursuit of information, the use of the Canadian Armed Forces which, as we all know, is our primary force of security, and the use of the military in terms of the Royal Canadian Mounted Police.

In recent years we have indirectly done an enormous injustice to the RCMP as a result of the improper use of what the government considers to be its requirements with respect to security and intelligence information.

I had no intention of entering this debate at all. It is outside of my competence, but it is not outside of my knowledge as regards the degree to which the government over the years had used, deliberately and with malicious intent, its powers to affect the reputation of the RCMP and its internal security investigation capacities. It has maligned the reputation of the force in the eyes of the public to such a degree that the press today accuses us of being anti-RCMP.

I am speaking of the degree to which the Solicitor General and his predecessors have acquiesced in the abuse of national trust by directions which have removed cabinet from public responsibility. I think that this is what many of us object to, and if the Solicitor General is not aware of what I am talking about he should apprise himself of the degree to which the military, the PMO and internal security devices have been used to direct the RCMP to do certain work for him. He should apprise himself of the damage that he and his colleagues are doing. I suggest he do that, because only then can we come to some rationalization of what is taking place. So over-zealous is he about the rights of Canadians that he has allowed the abuse to result in accusations. I suggest that the Solicitor General apprise himself of the facts, and if he does know what is going on in terms of his internal security, and I suspect he does not—

Mr. Fox: Make up your mind.

Mr. Forrestall: I suspect he does not. I ask him this because I have some respect for him; at least I have had it up to this point in time. Perhaps after this evening I will have to review that conclusion. I suggest that he apprise himself thoroughly of what went on before he joined the august ranks of the Treasury benches of this government which he supports. Let him find out what has been done in the name of justice as perceived by his leader. Let him find out about the misadventures that have been blamed upon the national police force of this country that have been perpetrated by directions, through other security analysis groups, to the RCMP, the extent to which the RCMP has been used by other forces. I think he has the capacity to apprise himself of these facts, and if he does not he will be a disappointment not only to his own colleagues on the back benches.

I do not know what the Solicitor General's gesture means. If he cares to stand up and tell me, we can go on to discuss it for the next two or three hours. I suggest that the gestures of the Solicitor General are rather meaningless.

• (0220)

The point I am trying to make is that I reject and react against the degree to which the Canadian military has been used to direct our national police force in the types of involvements that it has become engrossed with in recent years. As far as I am concerned successive solicitors general have denied that, for example, the telephones of members of parliament have ever been tapped. It would be a curious spectacle to see the Solicitor General stand in his place now on a question of privilege or on a point of order and deny that that has ever happened, because it would give me great delight to demonstrate to him that he would not know what he was talking about if he were to deny it. It would give me even greater delight to expose the fraud and the nonsense that I have listened to for the last ten or 12 years from successive solicitors general with respect to these questions.

I have been lied to in this House by ministers of the Crown when they, to my knowledge, have had explicit facts in front of them with respect to the truth. Therefore we can hardly be faulted for being skeptical with respect to some of the responses we have received from the other side of the Chamber this evening. The motion, which is in front of us, is a very serious one.

The Solicitor General is still here. I doubt very much that he is still here because of respect for parliament. I suspect, rather, that he is here because the great sacrifice is worth it, because he can sit and laugh at people who rise in their places to express grievous concern about the arrogance of the government and the extent to which the government opposite has gone to subvert rights in this country that many of us hold to be very valid and very true. Without the protection of these rights this country will not survive. I think the minister knows of what I am speaking.

Sometimes we talk at great length and in great circles without bothering to talk about what in fact is bothering us. It has bothered me for many years that the government has deliberately set out to establish a system of virtual espionage. The government condones it and finds ways of removing itself from direct responsibility, and its members sit in their places early in the morning and laugh and chuckle at what are in fact very grave matters with respect to the capacity of Canadians to continue to believe in the proposition that the central government should remain strong in this country, and I wonder sometimes about the smiles and the arrogance of knowing that there are those of us on this side who do know differently and yet who, for a variety of reasons, are not permitted to speak out.

I come back to my essential point. As the new Solicitor General goes forward and becomes well established and well accepted in his position, he should be conscious and continue to be aware of the concerns some Canadians have about the impact that he can have with respect to decisions taken by the government he supports, and with respect to the grave influence that he has on the security and intelligence work of the Royal Canadian Mounted Police and of elements of the Canadian Armed Forces today. I reject the minister's smile because I have been one of those who have been subjected to exactly that influence.

If the Solicitor General is curious, I shall give him a hint so that he can narrow his search. This goes back to the days when we were debating in this House a peculiar piece of legislation called the Canadian Forces Reorganization Act in 1965-66. It was not yesterday, but it was not too long ago either. The progressive degree to which the government, for some pathological reason not discernible to most Canadians, bothers to go to the trouble to direct the Canadian military to overtake, I suggest, and direct the security intelligence work of the national police force, is a matter of some concern to at least some of us in this Chamber, and I hope the Solicitor General can suppress his smiles and giggles in this respect.

Mr. Boulanger: Who is smiling anyway?

Mr. Forrestall: Prosper, go out and have another cup of coffee. You will probably need it. It is 2.30 in the morning.

Mr. Boulanger: That's a good idea.

Mr. Forrestall: Sooner or later the government has got to be told to wake up and be aware. There are those of us in this country who reject the presence of the Canadian Armed Forces in our penitentiaries, for example, for the purposes of quelling riots, or for the purpose of serving one social will over another. If that is the acceptable thing, then we should change the role of the Canadian military in our society and our structure. But we should do it openly and do it through dialogue.

I think this is an appropriate time to say these things. It is early in the morning. There is probably nobody in the press gallery. There are certainly very few people in the public galleries.

Obviously there is nobody here of any great consequence. Prosper keeps lecturing us. The Solicitor General keeps smiling. The distinguished sailor from Saskatchewan, the hon. member for Assiniboia (Mr. Goodale), for whom I have great personal respect, keeps smiling.

In conclusion, we must be very careful in our inner circles, in our very private circles, in our very inner sanctoriums, or whatever they are called, where we make public decisions, that we do not remove our capacity to get at decisions about the security of our country and the methods by which we continue to ensure that the security of our country is under control or in good hands. We must be very careful about the degree to which we use the Canadian military in that pursuit because, to the degree that we do, we impair national unity in the final analysis. This does not enhance it.

● (0230)

I should like to give a scenario or two for the Solicitor General but might come dangerously close to saying things I should not. However, I am sufficiently concerned about the debates of the last two or three years to say to the minister that I deplore the degree to which he has impaired the reputation and the capacity of our national police force to be an effective security and intelligence group within our nation.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. Solicitor General (Mr. Fox) on a point of order.

Mr. Fox: Mr. Speaker, I appreciate and understand the very real concern the hon. member has in these areas, and the great expertise he has which has benefited the House over the years particularly in the area of defence. I wish to assure him there is no malicious abuse by the government of the role of the security services. I think a great part of the debate today has centered around some suggestion by members opposite that there was insufficient control. If that is the general view of hon. members opposite I assume there would not be, as a corollary, any wilful abuse.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wonder if I might prevail upon my colleagues for two or three minutes to pose a couple of questions to the minister, if he would consent to answer them. I had hoped to have the opportunity to ask them—

Mr. Deputy Speaker: Order, please. The minister has already spoken so he cannot answer questions. The only thing the hon. member can do is contribute to the debate.

Mr. Beatty: Perhaps I could then put two or three rhetorical questions that the minister or any member of the government might answer. They were not answered during the debate.

One of the distressing aspects of this is that so much of the government's case has centered upon the fact that the former solicitor general felt it should be self-evident that it was not necessary to reply to the letter he received requesting information about whether the RCMP had been involved in the break-in. He indicated that any member of the House would have reacted in the same way. According to the statement made by the present Solicitor General (Mr. Fox) last Friday, however, the letter was sent to the former solicitor general on October 11, 1972. It was brought to the attention of the RCMP by the assistant to the minister, Lieutenant Colonel John R. Cameron, in order that a reply could be prepared for the solicitor general's signature.

After that letter was sent to the RCMP on October 26, 1972, the RCMP wrote to the minister's assistant recommending that no acknowledgment be made, without providing reasons for that recommendation. The question I should like to leave in the air this evening, and perhaps pursue at a later date with the minister, is whether he has personally seen that exchange of correspondence between the assistant to the solicitor general and the RCMP. I note that the minister nods his head in assent. If he has seen it, would he be prepared to inform the House who the official was who signed the letter to the then solicitor general on behalf of the RCMP, recommending that no reply be made to the letter to the solicitor general?

Next, I wonder if the Solicitor General would be prepared to bring copies of the correspondence to the House tomorrow to be tabled so that it would be on the public record.

The reason this information is so important is that each of us receives correspondence from individuals and organizations every day. There may be instances when we feel it is improper for us to give a complete reply to questions asked, perhaps because matters are before the courts or we do not have the relevant information. As a matter of procedure, however, virtually any member would at least do any individual or group who wrote the courtesy of explaining why an answer would not be forthcoming.

If, as the Minister of Supply and Services (Mr. Goyer) indicated, the reason he did not write was that the Minister of Justice in Quebec, Mr. Choquette, had stated publicly that the RCMP was not involved and that he accepted Mr. Choquette's statement, I would be curious to know why he did not write back to the organization and say that the Minister of Justice in Quebec had looked into the matter and determined there was no involvement by the federal police force and that he could answer categorically that that was not the case. If his concern

was that an investigation was going to take place to determine whether there was any federal involvement, could he not then have written to the group saying it would be improper for him to comment because there was an investigation going on into the allegations they had made?

If the Solicitor General were prepared to table that correspondence we would be able to see at what level within the RCMP a recommendation was made that there be no acknowledgement of that letter. It would also allow us to pursue further questions on what degree of knowledge there was within the RCMP, and what participation there was in suppressing information about the illegal break-in. If the Solicitor General would present that exchange of correspondence tomorrow it would help resolve these unanswered questions.

Mr. Deputy Speaker: Order, please. Pursuant to Standing Order 26(13) I am satisfied that the debate has concluded and I therefore declare the motion carried.

Mr. Prud'homme: On division.

Some hon. Members: On division.

Mr. Deputy Speaker: This House stands adjourned until today at two p.m., pursuant to Standing Order 2(1).

At 2.39 a.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, June 22, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

PROPOSED INQUIRY INTO BACKGROUND OF MINISTER'S STATEMENTS INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in light of the extraordinary debate and statements yesterday which unfortunately raised more questions than they answered about the integrity of Canadian government institutions, I seek the unanimous consent of the House of Commons to move a motion under the provisions of Standing Order 43 on a question of urgent and pressing necessity. I move, seconded by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty):

That the committee of the privy council, by order, instruct the Chief Justice of Canada to appoint three justices from among the justices of the provincial superior courts, the Federal Court of Canada and the Supreme Court of Canada, who shall be constituted by the committee of the privy council to be commissioners under Part I of the Inquiries Act to inquire fully into all of the circumstances alluded to in the statement of the Solicitor General to the House of Commons on Friday, June 17, 1977 and in the statements by the Minister of Supply and Services in the House of Commons on Tuesday, June 21, 1977 and the interpretation placed on the doctrine of ministerial responsibility by the Minister of Supply and Services and any matter bearing upon or related thereto, and to consider such other matters as may appear to the commissioners to be relevant and to report fully thereon.

Mr. Speaker: The presentation of such a motion pursuant to Standing Order 43 can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED INQUIRY INTO SECURITY OPERATIONS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, considering that the government has not admitted any political wrongdoing, I am not surprised that it did not agree to that motion. To us it was a completely acceptable motion under Standing Order 43. My motion under Standing Order 43 is not as broad in scope as the one proposed by the Leader of the Opposition (Mr. Clark), and in view of the government's expressed concern about this issue I hope hon. members opposite will agree to my motion.

• (1410)

Considering that the RCMP has taken part in a criminal break-in in Montreal and also that there was a persistent and successful attempt by the RCMP to conceal that fact for many years, and considering furthermore that other incidents involving the RCMP in other parts of Canada raise the question about the possibility of a continuing policy of illegal activity and concealment from political supervision, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the government to establish forthwith a Royal Commission which would investigate security operations procedures of the RCMP and the process of accountability of the RCMP to the office of the Solicitor General.

Mr. Speaker: Order, please. Presentation of such a motion for debate pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

GRANT TO NEIL LEDRAY WHILE STILL EMPLOYED BY GOVERNMENT—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the fact that a Mr. Neil Ledray, head of the Federal Department of Indian Affairs and Northern Development, municipal engineering section in Saskatoon, qualified for a $90,000 DREE grant to establish his own business while still in the employ of the government, and who on previous occasions was instrumental in blocking attempts by a reputable firm in Toronto, C.M.S. Equipment Limited, to obtain similar assistance towards exactly the same type of business operation, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That the Minister of Regional and Economic Expansion along with the Minister of Indian Affairs and Northern Development take all appropriate steps to rectify this unfair practice involving quite obviously a conflict of interest by a government official.

Mr. Speaker: Order, please. Presentation for debate of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

PUBLIC SERVICE

REQUEST FOR COMPENSATION FOR EMPLOYEES WORKING IN BOTH OFFICIAL LANGUAGES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43 and seconded by the hon. member for Yorkton-Melville (Mr. Nystrom), I move:

That this House notes that the statement on bilingualism made yesterday by the Secretary of State included nothing to implement the commitment made to federal public servants that by the end of June there would be an announcement concerning adequate compensation for those who work in both official languages, and this House therefore calls on the President of the Treasury Board to keep the government's commitment and make such an announcement not later than June 30, so that this important issue can be resolved without delay.

Mr. Speaker: Under the provisions of Standing Order 43 unanimous consent of the House is required for the presentation of such a motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

PROPOSED INQUIRY INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE AND MINISTERIAL RESPONSIBILITY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Prime Minister. The Leader of the Opposition has moved a motion under Standing Order 43 setting out specific terms for an inquiry into the Montreal break-in at l'Agence de Presse Libre du Québec and related incidents. Given the legislative timetable, the mood of this House and the consensus emerging in the House, does the Prime Minister not think it in the best interests of parliament and the government to call for such an inquiry?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. MacKay: That is very interesting because on June 15, 1976 at page 14500 of *Hansard* during the capital punishment debate the Prime Minister said:

It is essential that people have confidence in the law, essential that they have confidence in the ability of the legal process to protect them against the lawless.

I am certain the Prime Minister remembers this quote. Consistent with this statement and the concern expressed by Commissioner Nadon in St. John's yesterday will the Prime Minister not reconsider his approach and have assessed the degree of ministerial and administrative responsibility which is becoming increasingly obvious in this affair and not leave the whole brunt of it to the RCMP as far as accepting blame is concerned.

[Mr. Speaker.]

Mr. Trudeau: Mr. Speaker, the intention is not to have the RCMP bear the brunt of the blame. I think that is the effect of the questions of hon. members opposite in the last few days. If the hon. member wants to blame the government he was invited yesterday by the former Solicitor General to make a specific charge against him.

Mr. MacKay: A final supplementary, Mr. Speaker. The Prime Minister takes this doctrine that every time the opposition has to blame the government—and goodness knows there is enough to blame them for—they have to make a specific charge. He is introducing a new doctrine. I want to remind the Prime Minister of another statement he made. I am sure he appreciates being reminded of his deathless quotes. On February 7 this year at page 2777 of *Hansard* the Prime Minister said:

I do not think the people suspect the RCMP of conducting themselves as the FBI do.

I share his hope and his conviction but is he prepared to help assess some of the political responsibility for this whole unsavoury mess which it is becoming increasingly evident is not an isolated incident and is directly attributable to the incompetence of a succession of Solicitors General? Will the Prime Minister not reconsider and tell the House clearly and unequivocally how he can abandon the responsibility for the federal police force on a matter of national security to a provincial inquiry?

Mr. Trudeau: Mr. Speaker, the hon. member pinpoints the issue to one of political responsibility. If that is the case surely this is the place, the House of Commons, where political responsibility should be debated, as it was at great length last night, I understand.

Mr. Hnatyshyn: And with great effect. There are lots of sombre faces on the government side.

BREAK-IN AT PRAXIS CORPORATION—REQUEST FOR REPORT ON INFORMATION SUPPLIED BY MEMBER

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Solicitor General. As the House knows, I met with him on Monday to lay before him certain information relating to the extra-parliamentary opposition concept and the related break-in and fire at Praxis Corporation in Toronto. I expressed the hope to the Solicitor General at that time that he would be in a position today to assess the validity of the information I gave him, to tell the House today in general terms what he has done about it, and what the results of his investigation so far have been.

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I indicated yesterday during the question period the hon. member met me and gave me some information which he believes tends to indicate the occurrence of an illegal break-in at the premises of Praxis Corporation in Toronto. I have directed my officials to bring all the information brought to my attention to the attention of the attorney general of the

province of Ontario, since, if an illegal break-in had taken place it would have been an illegal act committed in Ontario and, in the circumstances, the matter would come under the jurisdiction of the attorney general of Ontario. I have also directed my officials to examine the information, to determine if there are any implications concerning the department of the Solicitor General but have not yet received a report on the matter.

Mr. Oberle: A supplementary question, Mr. Speaker. I am concerned about two distinct infractions, one of them, of course, being the crime of breaking and entering which, as the Solicitor General rightly says comes under the jurisdiction of the attorney general of Ontario. However, an investigation was carried out in the interest of national security, which certainly falls under the jurisdiction of the Solicitor General of Canada. I ask the Solicitor General, how much more time does he need in order to make a statement to the House on these allegations, and what will be the nature of his further investigation?

Mr. Fox: Mr. Speaker, I think I have already indicated to the House a number of times that the RCMP was not involved in any way with the break-in at Praxis—

Mr. Dick: What about the offence of possessing stolen goods?

Mr. Fox: —Corporation. Therefore I do not think the rest of the question follows.

Mr. Broadbent: What about the possession of stolen documents?

Mr. Fox: Perhaps if hon. members would care to refresh their memories by reading what I said yesterday, as reported in *Hansard*, they would see that the documents in question were turned over to the Metropolitan Toronto police department.

Mr. Broadbent: After seven years.

Mr. Fox: Yes, but no matter what the length of time is they were turned over.

Mr. Broadbent: Come on!

Mr. Dick: It is still possession of stolen property.

Mr. Fox: The Crown attorney in the province of Ontario looked at the documents and concluded that there was no illegal action on the part of the RCMP in that regard. I do not know if hon. members are suggesting—

Mr. Broadbent: Who kept the stolen property for seven years? Was that not an offence?

Some hon. Members: Oh, oh!

Mr. Trudeau: Why don't you lay an information?

Mr. Fox: Mr. Speaker, some hon. members of this House obviously would like to substitute their judgment for that of the Crown attorney. As far as we are concerned on my side of the House, we are willing to take the advice of the law officers of the Crown.

BREAK-IN AT PRAXIS CORPORATION—INVESTIGATION OF THOSE INVOLVED IN DESTRUCTION OF DOCUMENTS

Mr. F. Oberle (Prince George-Peace River): A final supplementary question, Mr. Speaker. I should like particularly to ask the Solicitor General if the RCMP officer, whose name I gave him on Monday and who is alleged to have been directly involved in the conversion of the documents, has been investigated. Further, has the minister investigated the already admitted involvement of Inspector Venner in the destruction of the original documents stolen from Praxis Corporation?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am not too sure what the hon. member is getting at. At some point he suggested that someone would have been in the Department of the Solicitor General—he mentioned the Solicitor General's office—who would have been involved in some way in the Machiavellian scheme which he described and in which he apparently believes. With respect to the precise names he has given me, no one in the Solicitor General's department at that time bore those names. However, I want to make sure that neither the first name nor the family name is in question. Once I have completed the inquiries, I will be pleased to make a report to the House. If, of course, there is a question concerning an investigation which the attorney general of the province of Ontario ought to be undertaking, the appropriate course would be to have that investigation carried out by the attorney general of the province of Ontario rather than on the floor of the House.

● (1420)

ALLEGATIONS OF ILLEGAL BREAK-INS BY FORCE—REASON FOR REFUSAL TO HOLD INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister aware that during the past 24 hours a former RCMP corporal has said that illegal break-ins have been a continuing practice for a number of years by the RCMP. That statement flatly contradicts statements and assurances coming from the top level of the RCMP in recent weeks. Keeping in mind that senior officials in the RCMP and several ministers of the Crown systematically concealed knowledge about a break-in from the government, I would like to ask the Prime Minister what apparently changed his mind in the past 48 hours or overnight about the need for a specific inquiry into the accountability of the RCMP to its political authority?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have constantly taken the view that the break-in in Montreal, which was an illegal act by an RCMP officer, was an aberration, an incident, and an isolated one. I have had repeated assurances from the Commissioner of the RCMP and from the Director General of Security that this was an isolated incident and it was in no way a general or special practice of

the RCMP to have break-ins. This was discussed very clearly with them in my office in the spring of last year and with the then Solicitor General, at which time I told the House we had considered an investigation into the kind of matter that the hon. leader of the NDP is talking about. We had these specific assurances. It is these assurances which have been repeated by the present Solicitor General and by myself. This assertion quoted by the leader of the NDP is obviously in contradiction of this.

Apparently there is an allegation by a former RCMP member that there have been generalized illegalities. Naturally, the Solicitor General will look into these allegations and see if there is any truth to them. If so, we will have to take further action. I am still going on the assumption that the RCMP acts constantly within the framework of the law and that the incident in Montreal was an aberration, an exception, which is not excused or condoned, but it was isolated.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the recently found faith of the Prime Minister in the RCMP—

Some hon. Members: Oh, oh!

Mr. Broadbent: —is a little disturbing in view of the information that we now have. The Prime Minister, the present Solicitor General and the former Solicitor General in statements made within the past three days of sittings of this House have all intimated at various times serious degrees of feeling of unease with regard to the accountability question. Considering that it was the RCMP at the top level in Ottawa some four years ago which refused to tell a series of Solicitors General of their own illegal activity, why is the Prime Minister now prepared to accept from the same sources their testimony only that no systematic wrongdoing has been undertaken in the past or is continuing now?

Mr. Trudeau: Mr. Speaker, I am not accepting their testimony only. Hon. members opposite have made various allegations. The government, through the Solicitor General, has inquired into them. If the hon. member has other allegations to make, let us hear them from him. He has just quoted a statement made by a former RCMP officer to the press. Naturally we will inquire into that. I am not just taking the RCMP Commissioner's word for it. We are looking into every possible accusation put forth from any source on either side of the House or across the country.

Naturally, we want to make sure that the RCMP act within the law and that when they do not they are properly punished. But we can do no more than accept the word of these people who have dedicated themselves to the public service in the police force of Canada until it is flatly belied by some specific charge. Such charges can be inquired into. The Solicitor General has welcomed information from across the aisle and he will look into any allegations which are made.

[Mr. Trudeau.]

ACCOUNTABILITY OF FORCE TO POLITICAL AUTHORITY—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): The Prime Minister knows that the method of investigating such allegations in the past has been to require the RCMP to look into the charges made against him. What reason do we have for believing that the investigation will be any more systematic or fair-minded than that? The Prime Minister and other ministers have referred in the last few days to the inquiry which is going on in the province of Quebec, conducted by the government of that province, and the terms of reference of that inquiry do not include the possibility of looking into the question of the accountability of the RCMP to the political authorities in Ottawa. Is the Prime Minister satisfied that this important matter has been adequately dealt with in the last few days and that there is absolutely no need for an inquiry into this aspect?

Right Hon. P. E. Trudeau (Prime Minister): I cannot say that the question of accountability has been completely settled to the satisfaction of the government. We indicated in the House the other day that certain measures had been taken and that others would be taken in the fall pursuant to Judge Marin's inquiry and recommendations. I am open to suggestions on that matter. I certainly would not expect a commissioner appointed by the government of Quebec, even if it were within his terms of reference, to make recommendations to us as to how we should interface with the RCMP.

Mr. Broadbent: That is exactly why I am suggesting an inquiry.

Mr. Trudeau: Precisely, Mr. Speaker. I do not think an inquiry such as is proposed by the hon. member would be any more enlightening than if members of the House and of the government, in a constructive mood, seek to find ways of increasing accountability. I think this is a political question. I do not see the great advantage—

Mr. Fraser: It is a judicial question.

Mr. Trudeau: The question of accountability is not a judicial question.

Mr. Fraser: The question of how you determine the truth is a judicial question.

Mr. Trudeau: So I understand. The hon. member for Vancouver South wants to follow some other alley. He is, of course, entitled to rise in his place and ask a question—if he can articulate one.

Some hon. Members: Oh, oh!

Mr. Trudeau: But if he wants to remain on the subject he must realize that the present question and answer have to do with political accountability of the force to the minister, and not the question of the truth. That is another subject with

which the minister is preoccupied. The hon. member should reflect a little more on the question of the truth.

Some hon. Members: Hear, hear!

* * *

● (1430)

[*Translation*]

STATUTORY HOLIDAYS

POSSIBILITY FOR EMPLOYEES TO CHOOSE BETWEEN ST. JEAN BAPTISTE DAY AND CIVIC HOLIDAY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

At the beginning of May, the Treasury Board decided that federal civil servants working in Hull would have to take the day off in the province where there was a statutory holiday. The federal civil servants complained that they would rather take the day off on the first Monday of August instead of June 24. The Treasury Board has reconsidered the matter and decided to leave the choice to civil servants working in Hull so that they can take the day off on June 24 or on the first Monday of August. However, Quebec civil servants working in Ottawa were expecting to be dealt with in the same way, that is to have a choice between the two holidays. It now appears that such will not be the case and that they will have to take the day off in August and not on June 24, St. Jean Baptiste Day. Could the President of the Treasury Board tell the House whether the problem has been solved, because it will soon be June 24 and if not will he take some steps to render justice to those employees? I think that such a gesture would be an indication that we really wish to live peacefully in Canada?

[*English*]

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the most recent decision is based exactly on the final comment made by the hon. member with regard to trying to find a reasonable temporary solution, at least, to celebrate the day in good harmony within the province. Indeed, we have given the option to the federal employees in Hull in the province of Quebec to take June 24. That same option had not existed in Ottawa and is not going to be extended to the Ottawa side. But even that temporary decision of leaving the option open on the Quebec side is intended to apply only to this June 24 and not the following year. This decision has been made in full consultation with the public service union bargaining agents and we hope that we are looking forward to a happy celebration of both holidays when they take place.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, considering that this is an important matter, can the minister tell the House whether during the week he received representations from the union representatives of civil servants for the granting of what I enunciated in my first question, and in the circumstances, could the minister also tell us whether he considers that these representations are fair and whether he will give effect to them for June 24?

[*English*]

Mr. Andras: Mr. Speaker, that is the decision we have taken and it was based on what we considered to be very fair representation by the representatives of the public service bargaining agents.

* * *

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR TABLING OF LETTERS TO SOLICITOR GENERAL AND NAME OF AUTHOR

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Solicitor General and it is one of a number of questions which were left unanswered from last evening's debate. Last night I asked the Solicitor General whether he would table a copy of the exchange of correspondence between the office of the former solicitor general and the RCMP which led to the extraordinary decision by the solicitor general not to even acknowledge the letter from the APLQ alleging RCMP complicity in the illegal break-in. Is the minister now prepared to table those letters and, if not, why not?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am, of course, willing to take the hon. member's suggestions under consideration but I should point out that I would at that point be revealing the name of a public servant. I would be very pleased to tell the hon. member, in reply to at least part of his question, that the letter was signed by the then deputy director of security intelligence, who held the rank of assistant commissioner in the force.

Mr. Beatty: A supplementary question, Mr. Speaker. This exchange of correspondence is very germane to this whole question of trying to determine why the former solicitor general did not take the proper course of action. The Solicitor General has given us the rank of the individual within the RCMP who wrote to the former solicitor general. Will he now disclose that individual's name, and would he explain to the House whether or not he has determined whether that individual was aware of the RCMP involvement in the APLQ break-in and, if so, why he withheld this information from the then solicitor general?

Mr. Fox: I am sorry, Mr. Speaker, I missed the hon. member's question. So far as knowledge within the force of the break-in is concerned, I think my statement in the House on Friday was extremely explicit on that point.

REASON FOR FAILURE TO REPLY TO CHARGE OF ILLEGAL BREAK-IN BY L'AGENCE DE PRESSE LIBRE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): A final supplementary, Mr. Speaker. The minister did not

explain whether he was able to determine if that individual knew about the illegal break-in and, if so, why he withheld the information from the then solicitor general. In view of the fact that the Minister of Supply and Services has stated that the reason he did not even reply to the APLQ's letter alleging RCMP involvement in the illegal break-in was that the matter fell under provincial jurisdiction and that the incident was being investigated by the Montreal police, has the minister had any plausible explanation from his colleague as to why he did not follow the proper course of action by replying to the APLQ's charges with a letter stating that these extremely serious charges were being investigated by the Montreal police?

Hon. Francis Fox (Solicitor General): Mr. Speaker, once again I believe that if the hon. member goes back to my statement of last Friday he will find that my statement is very explicit indeed in that regard.

Mr. Beatty: It is not at all.

* * *

DOMINION DAY

PROPOSAL THAT LEADERS OF POLITICAL PARTIES PARTICIPATE IN CELEBRATIONS—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the celebration of Dominion Day and—

Some hon. Members: Canada Day!

Mr. Alexander: He said Dominion Day.

Mr. Diefenbaker: —it is a very commendable course which has been arranged. We started it in 1957 and this is going to be the greatest on record. So that it will represent all of Canada and not be regarded as in any way partisan, and in view of the fact that the Governor General, under all the circumstances, will not be able to make a speech to the people of Canada on behalf of the Queen, would the Prime Minister consider having, along with himself, the leaders of the other parties speak for a few minutes on a national broadcast so as to bring about a sense of national consciousness and unity?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly look into that suggestion. I confess I am not aware of the program for July 1, but I will look at that. I would also underline to the right hon. gentleman that the House leaders of the various parties are consulting each other as to the possibility of putting two days aside next week to have a debate on national unity.

Mr. Diefenbaker: Have it on Dominion Day?

Mr. Trudeau: Mr. Speaker, I stand corrected; the two days would not be a debate, it would be rather a collective contribution on the subject of national unity. The right hon. member talked about a broadcast. I must remind him that we on this side have been trying to get broadcasting of the proceedings of the House for a couple of years, but it is his colleagues who have been opposing that.

Mr. Diefenbaker: Mr. Speaker, if evasiveness were a virtue the Prime Minister, in the answer he endeavoured to give me, would be a saint. I am simply asking him not to have it as a partisan thing with him speaking as the leader of this nation, which he is not—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —either on this occasion or on any occasion. I am simply asking the Prime Minister whether, to make this national event representative of all political parties which are represented in the House, he will have them with him to speak on that occasion—

Some hon. Members: Oh, oh!

Mr. MacFarlane: Who is your leader?

Mr. Speaker: Order, please. Perhaps the right hon. member might be permitted to conclude his question.

Mr. Diefenbaker: Mr. Speaker, the unanimity with which the orchestrated chorus opposite interrupt indicates that they think the Prime Minister is the leader of this nation.

Some hon. Members: Hear, hear!

● (1440)

Mr. Trudeau: Mr. Speaker, in this great debate—

Mr. Paproski: You are our saviour, Pierre.

Mr. Hees: How was it in that manger?

Mr. Trudeau: Mr. Speaker, in this great debate about who is the leader of the nation, I suppose I could do nothing better than take a leaf out of the right hon. gentleman's book and see who on July 1, 1957, 1958, 1959, 1960 and 1961 spoke for the nation on what they had.

An hon. Member: Nobody did.

Mr. Trudeau: If nobody did, I am disappointed. I would have hoped in those days—

Some hon. Members: Hear, hear!

Mr. Trudeau: I suppose that was the trouble with our history during that period—nobody was leading the nation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I see our excellent Secretary of State trying to provide the answer to this question. As he is responsible for the

program on July 1, perhaps I could pass the question on to him, with your permission, Mr. Speaker.

Hon. John Roberts (Secretary of State): Mr. Speaker, I am prepared to volunteer to undertake to look into the question and particularly to study those precedents from 1957 on to see if the right hon. gentleman was suggesting that procedure at that time, as he is today.

Mr. Diefenbaker: Mr. Speaker, those were national events, and no leader of the nation in the position of Prime Minister was speaking at all, because it was a national event. What is going to happen on Dominion Day is that it is going to be a kind of political partisan venture.

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BILINGUALISM

GOVERNMENT POLICY OF FREEDOM OF CHOICE FOR LANGUAGE OF INSTRUCTION IN SCHOOLS

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Prime Minister. In view of the varying interpretations that appear to have been given by members of the media to the document entitled: "A National Understanding", tabled in this House yesterday by the Secretary of State, will the Prime Minister reaffirm the commitment of this government to the principle of freedom of choice for all Canadians in selecting the official language of instruction for the education of their children?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for asking me the question because I—

Mr. Hees: Because you set it up.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: I have done that sort of thing myself. That is nothing new.

Mr. Trudeau: Mr. Speaker, I can assure the hon. member for Prince Edward-Hastings that I only have one straight man in the House, and that is him.

Mr. Hees: That is your trouble. You are not good enough to operate with just one straight man, Pierre.

Mr. Trudeau: Mr. Speaker, I am not sure the colloquial expression "straight man" is quite appropriate in this particular case.

Mr. Hees: Stick to the straight stuff.

Mr. Clark: Lay a charge, Pierre.

Mr. Hees: The umpire just called strike three, Pierre.

Mr. Baker (Grenville-Carleton): Sit down, you are hurting the nation.

Mr. Hees: Now, get on with leading the nation, please.

Mr. Trudeau: Mr. Speaker, all I can say is that we are going to have a heck of a good party later today.

Some hon. Members: Hear, hear!

Mr. Speaker: I was beginning to get a little worried that we would never get to it.

Some hon. Members: Hear, hear!

Mr. Trudeau: Don't you think we are already there?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, the question was extremely serious, and I want to emphasize to the House that the paper tabled yesterday by the Secretary of State had as an absolute principle the freedom of choice of parents in selecting the language of instruction of their children.

Some hon. Members: Hear, hear!

Mr. Trudeau: That is basic to the philosophy of this party and this government.

Mr. Hees: Of all provinces?

Mr. Trudeau: Of all provinces, Mr. Speaker. It would certainly be a mistake to over-emphasize the fact that in the administrative application of this principle, there are delays which are necessary in some cases. It is obvious the freedom of choice of a French-speaking parent in some parts of Ontario is not absolute. The principle is absolute, but it might take some time to provide the schools and the teachers. The principle remains absolute, and we hope that emphasis on this administrative delay does not deter people from realizing that the principle is and must be absolute.

Some hon. Members: Hear, hear!

REASON FOR DELAY IN APPLICATION OF FREEDOM OF CHOICE PRINCIPLE IN QUEBEC

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my supplementary question is to the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. Leader of the Opposition has the floor for the purpose of asking a supplementary question.

Mr. Clark: Thank you, Mr. Speaker. My supplementary is to the Prime Minister, but I require a moment to check yesterday's *Hansard*.

Some hon. Members: Oh, oh!

Mr. Clark: The Prime Minister made reference exclusively, when he talked about a delay in the application of that principle which he has just enunciated, to problems relating to facilities. Yesterday in this House the Secretary of State added another reason for a potential delay. Excuse me for a moment. I should like to be courteous to the Secretary of State by citing him precisely, but I cannot find that exact reference. However, the reference was that the delay in the province of Quebec of the application of that principle was due to the sense of insecurity of French-speaking Canadians relative to the future of their language. Will the Prime Minister clarify for the House as to whether there will be delays in the application of the principle, which he has enunciated, in the province of Quebec for that reason?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. Leader of the Opposition is absolutely right. The principle is absolute, but in the administrative application of it there will be some cause for delay in various parts of the country for various reasons. The paper states quite clearly in the case of the province of Quebec that the present government of Quebec has evoked the principle of insecurity of the French-speaking society in Canada, particularly in that province.

If the hon. Leader of the Opposition looks at the white paper, he will see words to the effect that this opinion on the insecurity is not shared by all and is debatable. Indeed I think it is a debatable question. Further facts and figures will be brought to light which show the justification for the delay evoked by some Quebec authorities and will show that perhaps they are not as great statistically as they claim. Those who govern the province today are afraid of this problem of insecurity. That is why there is some provision in the white paper for delay, if it is justifiable, as it has to be in the province of Ontario and other provinces and as it might be in the province of Quebec. With the principle being there, we will make sure no false excuses are brought by anyone, at least to qualify the principles we put forward.

● (1450)

Mr. Clark: The precise language of the Secretary of State yesterday was:

We understand therefore that in that context—

The context of insecurity.

—it may be regrettably necessary not to persist now with the immediate implementation of that principle of free choice for the education of one's children in either official language.

That is the end of the quotation. The minister was speaking of Quebec. Can the Prime Minister, in light of his answer and of that of the Secretary of State yesterday, tell us what timeframe he is thinking of, when, in his view, it might be possible to persist with the immediate implementation of the principle of free choice?

Mr. Trudeau: It is indeed difficult to give a particular timeframe because so much depends on the actions of the provinces in this instance. As in the first example I gave, I suppose it would be the time necessary to build schools and to provide the kind of education to French speaking Canadians in the other provinces that English speaking Canadians in Quebec have enjoyed for the past 150 years. So this catch-up in the other provinces depends a great deal on the will of those provinces to provide this degree of fairness and equal treatment.

In the province of Quebec, the timeframe depends very much on the psychology of those who feel themselves threatened. I, for one, do not think that the majority of Quebecers feel threatened with extinction.

Mr. Fraser: Your paper says they do.

Mr. Trudeau: If the hon. member reads the paper, which I ask him to do—

Mr. Fraser: Which I did.

Mr. Trudeau: —he would understand what we are talking about, but once again he is following some other alley.

An hon. Member: You are talking from the other side of your mouth.

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ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR INQUIRY BY MR. JUSTICE HALL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, with your permission I had intended to address my question to the Solicitor General, but the Prime Minister is in such good form that perhaps he might like to answer the question. I understand that the Solicitor General has received a telegram from the former Supreme Court justice, Mr. Emmet Hall, on behalf of the Canadian Civil Liberties Union urging a full scale public inquiry into what the telegram describes as the break-in and the apparent case of cover-up by the RCMP. It says that such an inquiry is necessary to relieve pressure on the RCMP and to regain public respect for the laws of this country. I ask the Prime Minister and/or the Solicitor General whether, in light of the views of such an eminent jurist and legal authority as Mr. Justice Hall, if they are not impressed by our arguments, they would not be impressed by the request that he has made and change their minds.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Justice Hall is indeed a very respectable and eminent authority in this field. Naturally, I will take note of whatever representations he has made.

An hon. Member: You won't do a thing.

Mr. Trudeau: I am not quite sure exactly what his opinions are, but if he wants to see an over-all investigation of the RCMP, I feel that that might be a repetition of what was done several years ago by a commission of inquiry which recom-

mended certain modifications in the administration of the RCMP.

Mr. Brewin: Perhaps I might inform the Prime Minister that Mr. Justice Hall in his telegram was extremely specific. He referred to the break-in and apparent cover-up of the matter that took place in Montreal. That is what he and the organization referred to want an inquiry into, and that is what they said was necessary to clear the RCMP and bring public respect for the law of this country.

Mr. Trudeau: Mr. Speaker, I repeat that I did not see the telegram, but if it is a specific desire to look at the break-in and "apparent cover-up", the RCMP officer has already pleaded guilty in court, and the break-in has already been recognized as an illegal act committed by an RCMP officer. The cover-up that the hon. member talks about is one which might or might not have taken place by the police themselves. The Solicitor General seems to have dealt with this by indicating that in their answer to the former solicitor general the RCMP relied on the fact that an inquiry by the proper authorities was being made in the city of Montreal. The question remains as to what happened to that inquiry, and that is precisely within the terms of reference of the Quebec commission of inquiry. I take it that this will provide an answer to the question which concerns the hon. member and, presumably, Mr. Justice Hall.

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ADMINISTRATION OF JUSTICE

REASON FOR FEDERAL PARTICIPATION IN FOREST CASE IN MANITOBA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Justice. Has the government appointed counsel to participate in the judicial proceedings in the courts of the province of Manitoba known as the Forest case and, if so, for what reason?

Hon. Ron Basford (Minister of Justice): Yes, we have, Mr. Speaker. The counsel appeared on June 10 representing the Attorney General of Canada. The reason we intervened was explained by me in a statement made at that time. We were served notice of the constitutional issue pursuant to the rules of court in Manitoba, and we replied in the affirmative to that. The reason we have intervened is to argue whether it should come before the court of appeal that the Manitoba language act of 1890 is unconstitutional.

Mr. Dinsdale: Is it not the policy of the government to intervene in all situations of this kind?

Mr. Basford: It is not the policy to automatically intervene when served with a motive of intervention on a constitutional point. We obviously make a judgment as to the constitutional issue involved and its importance. Obviously, we have made a decision that this is an important constitutional issue and that the court of appeal, should it discuss the issue, is entitled to hear the point of view of the Attorney General of Canada.

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AIR CANADA

PROPOSED COMMITTEE INVESTIGATION OF ALLEGATION LARGE NUMBER OF EMPLOYEES WANT TO LEAVE QUEBEC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Transport I will direct my question to the government House leader. At the meeting of the Standing Committee on Transport and Communications yesterday I presented a motion calling for the committee to investigate the situation in Quebec where 2,600 Air Canada employees are requesting a transfer out of the province. My motion was accepted by the committee and the chairman was to request an order of the House authorizing the committee to launch an investigation. Due to the seriousness of the matter, will the minister issue an order as soon as possible?

Hon. Allan J. MacEachen (President of the Privy Council): I will consider that situation and see what can be done.

Mr. McKenzie: As the chief executive officer of Air Canada, Mr. Claude Taylor, has been unable to solve the morale problems and employees are organizing to further their requests for transfers and are also challenging statements made by Mr. Taylor who claims that there are no problems, and as an airline cannot function efficiently or safely with these types of labour problems, will the minister take immediate action in granting the order to the committee or appoint some commission of inquiry?

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I took part in the committee meeting yesterday and the hon. member's remarks are not quite exact. The president of Air Canada, Mr. Claude Taylor, mentioned that the morale of the employees was excellent. Therefore the hon. member's remarks are completely untrue, which was recognized at the committee meeting yesterday.

* * *

[*English*]

EXTERNAL AFFAIRS

REASON FOR CLOSING ART EXHIBITION AT CANADA HOUSE, LONDON

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs, and if the acting minister is the person I think he is, a person of great taste and sophistication, he will be able to answer this question. I will try him out now. I have him ready. What are the circumstances surrounding the embarrassing decision to close an exhibition at Canada House in London, who was the sponsor of the exhibition, who was in

charge of such a decision, and will the minister reverse this blot on the Canadian record?

● (1500)

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): Mr. Speaker, I doubt whether I could live up to the advance billing of the hon. member, but I am aware that there was an exhibition at Canada House entitled "Room for Self-Explanation". That may be of interest to hon. members. In essence, and without referring to all the phraseology before me, the exhibit was removed as a result of a decision of the Canadian High Commissioner because he thought that certain portrayals—one particular portrayal—might be offensive or unacceptable to certain persons who may be using Canada House for purposes other than purposes of self-explanation.

Some hon. Members: Hear, hear!

Mr. Fairweather: Would the Acting Secretary of State for External Affairs arrange for the Canadian High Commission to visit the Prado in Madrid?

Mr. MacEachen: Well, that work may be equally disturbing.

Mr. Speaker: Hon. members will realize that since today is the final allotted day, the House will go through the usual procedures pertaining to supply later on this afternoon. In view of recent practices from which we have benefitted whereby hon. members have been provided supply bills as far as possible in advance of their actual consideration, I hope the House will agree, as it has in the past, that the bill be distributed at this moment. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: I would like to indicate as well that a number of hon. members have conveyed to me their compliments to the *Hansard* reporting staff and to all those associated with both French and English *Journals* and *Debates* with respect to the very diligent job they did, somewhat above and beyond the call of duty.

Some hon. Members: Hear, hear!

Mr. Speaker: In the spirit of good will which was so evident during the question period I extend the usual invitation to hon. members. I think they have all been invited. The invitation is extended to members of the press gallery as well and, whatever the event of the supply proceedings later on, although the beginning of the festivities for the guests here may be retarded somewhat, I certainly hope that will not in any way detract from the quality of the soirée later on.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a question of privilege. It has to do with my question to the House leader and my second question which was answered by the parliamentary secretary. The parliamentary secretary stated that I misinformed the House with regard to Mr. Taylor's remarks in committee yesterday about employee morale. I would like to point out to the House that 1,000 Air Canada employees have formed an organization called "Canadian Aviation Fellowship" because of their concern about conditions at Dorval. I received a telegram from them which states:

Our survey on Air Canada employees at all levels indicates that Air Canada President Taylor totally misinformed . . .

Mr. Speaker: Order, please. The point at issue really is not the question of morale, which is obviously an arguable question. It seems to me that, as far as any possible question of privilege is concerned, the point at issue has to do with what the president of Air Canada had to say about that subject last night. I do not think the hon. member can now get into an argument as to who is right or wrong about the morale of the employees of Air Canada.

What could be argued, I suppose, if the hon. member seeks the floor on a question of privilege, is whether he is correct and not the parliamentary secretary in interpreting the words of the president of Air Canada before the committee. However, I do not think that goes directly to the issue. If the answer was that the hon. member did not correctly relate the words of the president of Air Canada to that committee, that would be an issue of privilege.

Mr. McKenzie: Further to that, Mr. Speaker, if 2,600 employees of Air Canada requesting a transfer out of the province of Quebec is not a problem, nothing is a problem. There is a serious problem, and that is why I directed my question to the House leader and that is why my motion was accepted yesterday. There is a very serious morale problem when 2,600 employees are asking to be moved out of the province of Quebec.

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to clarify the matter. The hon. member mentioned yesterday what he has just told the House and the president of Air Canada said that this statement was without foundation and that it did not reflect the situation among Air Canada employees. According to him, this resolution has been rejected by the committee. The chairman mentioned that further discussion on this will be put on the agenda of the committee.

[*English*]

Mr. McGrath: Mr. Speaker, I rise on a point of order arising out of the oral question period today. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) requested the Solicitor General (Mr. Fox) to table certain documents which had been referred to by the Solicitor General and the Minister of Supply and Services (Mr. Goyer), the latter in his statement yesterday and the former in his statement to the House on Friday. Regarding the references of the Minister of Supply and Services I refer Your Honour to page 6968 of *Hansard* where reference is made to a letter from the RCMP to the minister, and again another reference earlier on where reference is made to the APLQ's letter, again in the same

minister's speech of last evening. My reason for bringing this to your attention is the refusal of the minister to comply. I will be very brief, and perhaps Your Honour can take this under advisement after having had a chance to examine the record.

I refer Your Honour to Beauchesne, citation 159(2), which states the following:

A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it on the table.

I submit that that citation is quite clear. I hope Your Honour will examine the record and perhaps make a ruling at a later date.

Mr. Fox: Mr. Speaker, I did not have an opportunity to hear all of the argument made by the hon. member. However, I would like to bring to Your Honour's attention, subject of course to verification in *Hansard,* the fact that my personal recollection is that I did not cite the letter in any way whatsoever. I did not have the letter with me. I do not know the contents of it by heart, and I did not cite it.

Mr. Speaker: Order, please. I would like to be clear. We seem to be talking about two different problems. I take it one relates to the possibility of the use of documents by the Solicitor General (Mr. Fox) during his statement on Friday, and I am not clear that there was at any time an application that, pursuant to that, any documents referred to by the Solicitor General might be tabled. Yesterday on a question of privilege the Minister of Supply and Services (Mr. Goyer) clearly referred to and quoted from a letter, but I am not aware that there has been an application pursuant to the reference cited by the hon. member that that document be tabled.

At the moment I am not clear whether in either case there has been a formal application to have a document tabled which was resisted, but I will check the record to see whether that has taken place and, if it has, I will consider whether in either case it was proper for the minister to resist the application.

Mr. Blaker: Mr. Speaker, on the same point of order, I was a little confused about whether this matter related to the current Minister of Supply and Services (Mr. Goyer), but to the extent that I understood Your Honour's remarks, it does. On behalf of the minister I would like to check *Hansard* and, if necessary, perhaps the minister could be permitted to make representations on this point of order.

Mr. Forrestall: Mr. Speaker, the confusion which has arisen between the parliamentary secretary and the hon. member for Winnipeg South Centre (Mr. McKenzie) arising out of proceedings in the Standing Committee on Transport and Communications yesterday afternoon should not be left in the state that it is. There have been accusations of untruths. I think there was some mix up in translation, and the parliamentary secretary did not properly and adequately hear what the hon. member for Winnipeg South Centre was saying.

Committee Reports

Yesterday afternoon the hon. member for Winnipeg South Centre did present a motion to the standing committee which was properly ruled out of order by the chairman. Later in the day at a later proceeding in committee, the hon. member for Winnipeg South Centre reintroduced the motion which the Chair ruled to be a proper motion but simply not possible to put in the context of the bill. There was an agreement that the steering committee would seek a remedy with respect to putting the motion of the hon. member for Winnipeg South Centre. The confusion has nothing to do with the denial by the hon. member for Winnipeg South Centre of the position taken by Mr. Taylor with respect to the morale of Air Canada employees in Montreal and other parts of Quebec. The two issues were quite separate.

● (1510)

I am sure the parliamentary secretary would not want that type of accusation to remain on the record with respect to the member for Winnipeg South Centre. I am sure the distinguished chairman of our committee would concur in that analysis of what took place.

Mr. Speaker: Order, please. Perhaps I could quickly review today's proceedings. The hon. member for Winnipeg South Centre (Mr. McKenzie) put two questions, one of which was answered by the acting minister and one by the parliamentary secretary. The answer given by the parliamentary secretary was a rejection of the interpretation put upon the words of the president of Air Canada by the hon. member for Winnipeg South Centre. In his question of privilege the hon. member for Winnipeg South Centre went to the heart of the issue as to whether there was poor morale in Air Canada.

That may be an interesting point of argument. The point of privilege, if it did exist, would have had to be that it was the correct interpretation of Mr. Taylor's words by him rather than by the parliamentary secretary. Whether either or any of those statements is accurate or inaccurate is subject to debate. Clearly it constitutes a matter of disagreement or different interpretation between two members and does not constitute a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Ninth Report of Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Second report of Standing Committee on Health, Welfare and Social Affairs—Mr. Robinson.

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

* * *

NATIONAL REVENUE

TABLING OF COPY OF WORKING AGREEMENT BETWEEN UNITED STATES AND CANADA

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I wish to table, pursuant to Standing Order 41, and naturally in both official languages copies of the working agreement signed by American Internal Revenue Service Commissioner Jerome Kurtz and myself on a simultaneous examination of the files of taxpayers under the terms of the tax agreement or treaty that exists between our two countries.

* * *

[*English*]

CANADA ELECTIONS ACT

FRANCHISE FOR DND TEACHERS ABROAD

Mr. Jake Epp (Provencher) moved for leave to introduce Bill C-426, to amend the Canada Elections Act (teachers voting abroad).

Some hon. Members: Explain.

Mr. Epp: At the present time teachers under contract with the Department of National Defence, who are teaching at Canadian Forces bases located outside of Canada are not entitled to vote in federal general elections. Armed Forces personnel are enfranchised.

The purpose of this bill is to give the right to vote to Canadian citizens teaching overseas under contract at DND schools. It is a bill which would end the discrimination against Canadian teachers who have volunteered their services to Canada, thus enabling us to fulfil our international obligations.

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

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, as I shall not be in the House tomorrow I should like to advise the House of the order of business for tomorrow and next week. Tomorrow we will continue with report stage of the unemployment insurance bill, and next week we will continue with that bill and a number of other bills which are at report stage. No bill will be called that is not at report stage, which includes the Bretton Woods and currency and exchange bills, and the one affecting the Auditor General. I understand two bills have been reported from committee today.

As a result of informal discussions with my counterparts I have been attempting to arrange a two day debate on national unity. The dates that had originally been proposed, Wednesday and Thursday of next week, are running into difficulties. Unless suitable dates can be found for next week it might be in the interest of the House to defer that debate until the following week. I would appreciate hon. members' comments so that I could prepare for either eventuality.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am aware of the difficulties and have considered the possibility of having the debate in the next following week. At first blush that would appear to be the only reasonable solution, but I will check with my colleagues a little later.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope the possibility of having this debate on two days the week after next will be considered. As the other two House leaders know, there are problems. We are certainly prepared to enter into discussions so that this may be resolved to the satisfaction of all concerned.

Mr. Goodale: Mr. Speaker, I wonder if I could bring up a matter of House business that relates to private members' hour in the period between now and the end of the month. There has been some difficulty with the days which would normally be scheduled for private members' business in that period—it would of course be only tomorrow and a week from tomorrow. There have been some discussions and there seems to be a disposition to proceed with private members' hour tomorrow, but to change the normal order of business. We would normally deal with motions for the production of papers tomorrow but I understand there is a disposition to deal instead with Bill C-1001 standing in the name of the hon. member for Kenora-Rainy River (Mr. Reid). At the conclusion of that item we would move to Bill S-2 standing in the name of the hon. member for Scarborough East (Mr. O'Connell), which would probably tend to occupy that hour.

In the following week, instead of calling private members' business at five o'clock on Thursday, there is a disposition to take the hour between five and six p.m. on Tuesday for private members' business and to deal with a number of bills standing in the names of eight members, which affect certain changes in the names of constituencies. For the balance of that hour we would resume debate on the motion for the production of papers standing in the name of the hon. member for Yorkton-Melville (Mr. Nystrom) which otherwise would have been called tomorrow.

● (1520)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thank the parliamentary secretary for his courtesy in discussing this matter with me in advance. We agree to his suggestion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been discussions and we agree to the first part of what has been suggested. That is satisfactory. We agree that in the private members' hour tomorrow the time shall be devoted to the two private bills mentioned. The rest of the proposed arrangement having to do with next week is related to discussions we have had about the timing of the debate on national unity. I suggest that the House should order today, by unanimous consent, the change for tomorrow but leave the decision as to what we do next week until some of the other questions have been sorted out.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,642 and 2,739.

[*Text*]

PAYMENT TO MEMBERS OF CANADA PENSION PLAN ADVISORY COMMITTEE

Question No. 2,642—**Mr. Elzinga:**

1. Do members of the Canada Pension Plan Advisory Committee receive a salary and (a) if so, in what amount (b) if not, are they paid a per diem for the meetings they attend and, if so, in what amount?

2. Do members of the CPPAC have their expenses paid to attend meetings and, if so, what is the method of payment?

3. Is there any other method of payment to members of the CPPAC?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. No. (a) Not applicable; (b) yes, for days spent attending Committee meetings, members receive $100 per day and the Chairman receives $150 per day.

2. Members of the Advisory Committee are reimbursed for reasonable travel and living expenses which they incur in attending meetings. The members are required to submit an expense claim, with receipts, and a cheque is then issued from the CPP Account.

3. No.

NAMES OF MINISTERS, ACTING MINISTERS AND SECOND ACTING MINISTERS

Question No. 2,739—**Mr. Beatty:**

What is the name of the (a) Minister (b) acting Minister (c) second acting Minister of each department?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): See reply to question 1,995, *Hansard* No. 96, page 4381, dated March 28, 1977.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 621, 1,508 and 2,372 could be made orders for returns, these returns would be tabled immediately.

[*Text*]

IMPORT OF DAIRY PRODUCTS

Question No. 621—**Mr. Lambert (Bellechasse):**

1. Did Canada import any dairy products during the first nine months of 1976 and, if so (a) in what quantity was each product imported (b) at what price (c) from which countries (d) through what organization?

2. Have any companies or cooperatives imported any products and, if so, was it through a permit delivered by the Department of Industry, Trade and Commerce?

Return tabled.

GRANTS TO TEXTILE INDUSTRIES

Question No. 1,508—**Mr. Mazankowski:**

1. In each of the past five years, what amounts were (a) granted (b) loaned to firms in the textile industry by the government and its agencies?

2. What was the average (a) rate of interest (b) length of time required to repay the loans in each year?

3. What was the amount of tariffs and customs duties collected on the import of (a) fibres (b) fabrics (c) finished garments in each year?

4. What was the total value of textiles (a) imported (b) exported in each year?

Return tabled.

AMOUNT ALLOCATED TO NON-MEDICAL USE OF DRUGS DIRECTORATE SUMMER RESOURCES FUND

Question No. 2,372—**Mr. O'Sullivan:**

1. For each year since 1972, by province, what was the total amount allocated by the Department of National Health and Welfare to the Non-Medical Use of Drugs Directorate Summer Resources Fund?

2. Of the amount designated to the Province of Ontario, how was it assigned by region and/or municipality?

3. Since 1972, how many applications for funds under the summer programmes of the Non-Medical Use of Drugs Directorate, Ontario Region, have been received by the Department from the municipalities of (a) Hamilton (b) Burlington (c) Stoney Creek (d) Grimsby (e) Oakville (f) Ancaster (g) Dundas

(h) St. Catharines and, in each case, what (i) number and percentage of the applicants were successful (ii) was the total amount granted?

4. What (a) are the names and addresses of the successful applicants (b) was the nature of the projects approved and funded by the Ontario Region of the Non-Medical Use of Drugs Directorate in (i) 1974 (ii) 1975 (iii) 1976 (iv) 1977 to date?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Rynard: Mr. Speaker, I rise on a question of privilege. I wish to bring to your attention a matter I raised first in this House on February 27, 1975, as reported in *Hansard*, page 3625, when I drew attention to the fact that a starred question which had been on the order paper nearly one month had not been answered, and I asked why. You replied at that time, Sir, that there is no rule saying starred questions must be answered within a certain time or, for that matter, answered at all. That opinion was expressed on February 27 as reported in the first and second columns of page 3625 of *Hansard*. I drew attention to the value of the starred question and wondered what was the value of asking a starred question if it need not be answered at all or if it had no status.

I believe, based on the custom of the House, that the starred question which came into being in 1910 is basically a question not put orally because the answer might require a more thoughtful reply, or some research might be needed in order to answer the question correctly. The answer to the question should contain the information desired and, there must be a certain urgency to the question. I am raising this matter because, for a long time, we have asked the procedure committee to deal with this matter and provide an answer on the point.

As you know, Mr. Speaker, our rules and customs naturally were based on those of the Mother of Parliaments. The practice throughout the British Commonwealth is that a member of parliament can put a question to a minister on a matter concerning his department. The late Sir Herbert Williams, who asked some 4,000 questions during his long parliamentary career, said that questions asked in the House are perhaps one of the most powerful implements of democracy.

As a matter of interest, the first question was asked in 1721 in the House of Lords, over 250 years ago.

It seems to me, Mr. Speaker, that nothing could weaken the control of parliament more, or better destroy it, than the abolition or curtailment of the right of a member of parliament to ask a question in the House of Commons, a question to which he is entitled to expect an answer.

In the Mother of Parliaments all questions are written and the minister has two full days to answer. Those questions marked with an asterisk, the starred questions, require an oral answer. Otherwise, I understand the answers are printed in *Hansard*.

[Mr. O'Sullivan.]

In Canada we have the oral question. However, I think it would be wise to refer back to the practices which existed even before we were a united country, before Confederation. Let us see what happened when we were the province of Canada. At that time we operated under British rules as practised at Westminster. So far as I know all questions then were written. With the advent of Confederation in 1867, written questions only were allowed. In 1910, when Sir Wilfrid Laurier was Prime Minister, the starred question was introduced, with the hope that it would tend to reduce emphasis on oral questions which, for the first time, were creeping into parliamentary use.

Only in 1964 did the rules of this House give formal recognition to the oral question which had not been formally recognized before then. The oral question has been part of our practice for a number of years and is now firmly established in our procedure. The 1910 rules did not firmly establish the status of the starred question. In fact the private member was never able to enforce the right to ask a starred question, and ministers answered starred questions orally, or in writing, at their own discretion.

In the sessions immediately preceding the 1955 change in the rules, the right to ask a starred question seems briefly to have been regained. In the days of Sir Wilfrid Laurier, the starred question had to be answered within one day. I point out that one of our Speakers ruled that starred questions were to be answered orally, and in 1955 five ministers drew attention to the fact that questions were starred when the answers were given orally.

In 1955 a special committee on procedure sought to establish more firmly the status of the starred question. It was then given a special place on the order paper on one day of the week. No member was to be allowed to have more than three starred questions at one time on the order paper. When I first came to the House as a member it was the custom, as it had been earlier, to answer starred questions within seven days. It was our custom to ask starred questions under certain conditions, and I point out that most of our parliamentary procedure has evolved from custom. Obviously, that which is customary and works should become part of the status quo. This applies, I suggest, to the starred question as we know it at present.

It is interesting to note that there were no starred questions in our parliament until 1910 or 1911, as I have already said, although written and oral questions evolved as a customary procedure. That shows what custom has done to our rules. Also, between 1929 and 1955, starred questions were not asked. In 1955 the procedure committee once more recognized the starred question.

I could show you, by referring to *Hansard*, that the starred question has been part of our procedure at least since 1957, that is to say, such questions could be answered. For example, in 1959 Mr. Chevrier commented on why certain starred questions had not been answered. Michael Starr, a minister at the time, also referred to the starred question, as did the right hon. member for Prince Albert (Mr. Diefenbaker) in 1968. I

will not trouble the House with quoting what hon. members said, but what they said is on record.

● (1530)

I am not going to trouble you with all the quotations. They are there. I can give the page numbers if anyone wants to look at them. They are in *Hansard* at pages 2469, 2470, 1368, and so on. I will not trouble the House with them, but hon. members will find it is very definitely pointed out. For example, when I first came in in 1957, the Hon. Lionel Chevrier stated:

> Mr. Speaker, may I direct a question to the government through the House leader. I should like to know if the government would not speed up the answers to questions now on the order paper. I am informed that there are some 47 questions that remain unanswered. There are as of today five starred questions that are unanswered, and I am sure there are a number of orders for returns—

He went on to state he believed those starred questions should be answered.

I want to come to my conclusions. It is my belief that the starred question was so designated because of its complexity, and making it short enough to fit in for an oral answer by the minister in the House and to give the minister the necessary time in which to look for information required. In other words, it was an opportunity for the opposition to be a little more dutiful in their work, which is to probe for mistakes. It was also a chance for the government to answer a question in a little better style and not have it repeated over and over again to get to the proper conclusion that was satisfactory to the questioner.

The starred question should be given its rightful place, as was confirmed in 1955. The Standing Committee on Procedure and Organization should deal with this question which it failed to deal with over a period of two years, since there seems to have been a silent erosion and maybe a lassitude on the part of the committee to deal with this matter, and by so doing restore the right of the private member to have a starred question answered within a set limit of time. The status of the starred question should be settled. Either it is a useful tool and should be placed in the status quo position, or it should be removed entirely.

I have brought this up for the sake of parliament and for the sake of the position that Your Honour occupies as the ruler and referee of this House, because leaving a question in that position is hardly fair either for a Speaker or private member, or indeed for the government.

All any minister who fails to answer a question within a fair period of time, if he does not have an answer prepared in a week for reasons beyond his control, would have to do is telephone the hon. member or Mr. Speaker to give his reasons, and nobody would be upset about it, and he would be given further time.

I know I had Your Honour's co-operation in this. The first thing I did after raising this matter which led to your reply was to write a letter, dated February 28, 1975, to the then President of the Queen's Privy Council, the hon. member for Eglington (Mr. Sharp), telling him I would like to appear before the Standing Committee on Procedure and Organization in order to bring their attention to a point which I thought should be looked at and cleared up. I went on from there, not only by letter but by conversation, on many occasions. Over two months ago, and again about a month ago, I spoke to the chairman about this. He knew very well that this was coming up.

I then took the trouble to inform the parliamentary secretary, the hon. member for Assiniboia (Mr. Goodale), that this was coming up before the House. I do not think it can be left, not only for Your Honour's sake, but for the sake of every member of this House to be carried on in this fashion. We should be respecting the position of the Right Hon. Wilfrid Laurier and other people who have gone before us.

In the democratic process, erosion should never destroy that which is useful to democracy's survival.

Mr. Goodale: Mr. Speaker, I appreciate the fact that some days ago the hon. member for Simcoe North (Mr. Rynard) gave me notice of his intention to raise this concern which he obviously holds very deeply and has researched very extensively.

I can understand the sincere representations which he has made through the House to the Standing Committee on Procedure and Organization. I hope the members of that committee will take note of his remarks today and take an early opportunity to consider the worthwhile suggestions which he has made.

As he pointed out, at least twice before the hon. member has raised this concern in the House, on February 27, 1975, reported in *Hansard* at page 3265, and again last summer, July 6, 1976, reported in *Hansard* at page 15080. In both cases, Mr. Speaker, your response to the point was very clear cut and very clearly in accordance with the established rules and precedents of the House; first, that the star entitles the hon. member to an oral answer, but not the right to demand an answer within a specified period of time; second, that the Standing Committee on Procedure and Organization might examine this question in the course of its re-examination of the procedures of this House.

I have looked quickly at that committee's subcommittee report. I believe that report made one reference to questions on the order paper, which appears in volume 30-9-76 at page 30:61. However, that reference deals only with the place of questions in the daily order of business. I do not believe that the committee actually got to the point of considering the status of starred questions. The hon. member for Kenora-Rainy River (Mr. Reid) was the chairman of that subcommittee. He might well correct my interpretation of the subcommittee's report. However, I do not believe they actually gave their consideration to that point as Your Honour previously invited them to do, and as the hon. member for Simcoe North has obviously done again.

These representations today are very worth-while in the sense that the members of the committee may want to take a look at that issue. However, I think that the rules and prece-

dents on the point are pretty clear that, at this stage, our rules do not require that an answer be provided within any specific period of time.

From a statistical point of view, I should simply note that in this session we have had 29 starred questions on the order paper. Only five of these are still outstanding. Three of the 29 were standing in the name of the hon. member for Simcoe North. At this stage all of those three have, in fact been responded to. Therefore I think that our rate of reply to those questions is an acceptable rate. We always try to do better. I hope the representations the hon. member has made will come to the attention of the committee.

Mr. Speaker: That seems on all sides to be the most effective result, if in fact we can persuade the procedure committee to re-examine this matter to see if it has any recommendations. At the moment I am not able to act on the representations of the hon. member for Simcoe North (Mr. Rynard), but I hope that the procedure committee will do so.

* * *

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 81 is acceptable to the government.

[*Text*]

COPY OF LETTER TO DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE, BY W. R. WILSON, LOCKHEED AIRCRAFT CORPORATION

Motion No. 81—**Mr. McKinnon:**

That an Order of the House do issue for a copy of the letter sent to the Department of Industry, Trade and Commerce by Mr. W. R. Wilson, Senior Corporate Vice-President, Lockheed Aircraft Corporation, dated June 24, 1976, as referred to in Article 39.60 of the LRPA Contract.

Motion agreed to.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the other notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[Mr. Goodale.]

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED POLICY FAILURE RESPECTING INDIAN ECONOMIC DEVELOPMENT FUND

Mr. J. R. Holmes (Lambton-Kent) moved:

That this House condemns the failure of the government to provide economic leadership to Canada's Indians, and in particular its failure to establish and maintain a cohesive and articulate policy on the Indian Economic Development Fund, as revealed and documented by studies, confidential memoranda and other related data.

He said: Mr. Speaker, the importance of the motion before the House of Commons and the issues arising from the motion are recurrent themes that have eroded the credibility of the Government of Canada and its capacity to govern. The absence of financial control since the inception of the Indian Economic Development Fund in 1970 is a dramatic illustration of the Auditor General's oft repeated remark that the Government of Canada has lost control of the public purse.

● (1540)

The absence of policy and the failure of the Government of Canada to adhere to the mandate establishing the program has had a disastrous effect on the Indian Economic Development Fund. The actions of departmental officials, presumably with the minister's knowledge, knowingly making wrong decisions for political purposes, as noted in the Woods, Gordon and Company report, has had a demoralizing effect on the department, has destroyed the credibility of the Department of Indian Affairs and Northern Development, and unfortunately has tainted the vast majority of the Indian community which has been the innocent victim of this charade.

The Royal Commission on Financial Management and Accountability is particularly germane to this debate. The unrealistic information provided to members of parliament, the inability of members to obtain information reflecting the realities of programs, have specifically undermined the relevancy of the standing committee to examine effectively the estimates, and is therefore a direct threat to our parliamentary system.

Before proceeding to specifics I must emphasize at the outset that the victims of the government's incompetence in managing the IEDF are the Indian people in Canada. Let there be no doubt in the minds of members in this Chamber that, on examination of the facts presented during this debate, the bottom line of the ledger will reveal the Indians of Canada as having suffered because the minister and the Department of Indian Affairs and Northern Development have failed to provide the necessary leadership to implement and develop an effective program for the administration of the Indian Economic Development Fund.

My colleagues and I are aware of successes attributable to the economic development program, although it should be noted in many instances that this has been achieved by the entrepreneurship of Indians rather than through the efforts of

the Department of Indian Affairs and Northern Development. We also recognize and are prepared to accept a risk factor does exist in a developmental program. In addition, we believe an economic development program can and should in principle be of value to the Indian community.

However, when we have knowledge that millions of dollars—the estimate is between $50 million and $75 million—have been squandered by the government in its irresponsible administration of the program, and when we have knowledge of innumerable social problems in the Indian community that are crying out for help, I say to you, Sir, in the most generous of parliamentary terms, the Government of Canada's actions border on that of criminal negligence.

During my travels across Canada discussing Indian and Inuit problems at the grass roots level, I have been confronted with a recurrent theme, namely, that the minister and the Department of Indian Affairs and Northern Development are insensitive to local needs and, perhaps most important, the funds appropriated by the department for the benefit of Indians are to a great extent never realized by those in need. The IEDF is a glaring example confirming these views.

The realities are clear. Who can have confidence in a minister and a government which has handled in an irresponsible way nearly $200 million when we are confronted with an Indian unemployment rate which is the highest in Canada, a perennial housing problem of crisis proportions, a lack of infrastructure elements which other Canadians enjoy and assume to be not only essential but a right of every Canadian?

In the Indian community health problems are reflected in an infant mortality rate four times higher than the national average. The average age of death is 24 years younger than that of the general population; an increased incidence of tuberculosis, pneumonia, hepatitis and other infectious diseases exists in that community and, according to the Nutrition Canada Survey, dietary deficiencies are more severe than among other groups of Canadians. Alcohol-related, violent death is four times more common than among white people, and educational problems are reflected in part by the unacceptable drop-out rate.

The list is by no means complete. However, I am aware that the government has literally squandered millions of dollars in one departmental program, and if I have knowledge of a group or an individual deliberately ripping off a program for personal gain, I shall do everything within my power to defend the tens of thousands of Indian men, women and children across Canada shackled with social and economic problems. I can assure you, Mr. Speaker, that I will not be content until I am satisfied that every dollar appropriated by the Department of Indian Affairs and Northern Development is maximized and utilized by those most in need.

Some hon. Members: Hear, hear!

Mr. Holmes: The lack of financial control and fiscal responsibility in the administration of the IEDF is so scandalous that the 1976 report of the Auditor General sounds by comparison like a strawberry social. In his recent annual report the Auditor General stated on page 9:

> Based on the study of the systems of the departments, agencies and Crown corporations audited by the Auditor-General, financial management and control in the Government of Canada is grossly inadequate. Furthermore, it is likely to remain so until the government takes strong, appropriate and effective measures to rectify this critically serious situation.

The financial management provided by the government for the IEDF is not grossly inadequate—it is a total disaster.

What are the facts? Initially I would like to quote from the summary of the findings of Woods, Gordon and Company in their review of the Indian Economic Development Fund. Some of their conclusions are as follows:

> A perceived mandate for the Fund has evolved in an informal manner. Its present state is not clearly defined nor is it consistently perceived by officers of the department.
>
> The status of the Fund portfolio is not sufficiently documented to enable realistic planning by district, region or headquarters staff in terms of funding or manpower requirements.
>
> There are serious deficiencies in all communications related to the Fund including: management direction and guidance, financial accounting systems, financial and operations reporting systems and planning systems.
>
> Large projects are causing severe strains on the economic delivery system especially in terms of their draw on funds and manpower requirements.
>
> The handling of small accounts is less than adequate. This has mainly been caused by the call on resources—funds, follow-up, and advisory services—by large projects.
>
> Small projects can be handled successfully by the Fund with a modified delivery system and improved communications.
>
> Elements of other Indian Program components (Socio-cultural and education) are appearing in the Economic Development Program—especially in the area of large projects.
>
> Major changes in the delivery system and a clarification of the mandate of the Fund (especially in terms of its relationship to other Indian Program components) are required in order for the program to accommodate and deal with large projects.
>
> The present level of Fund activity is more than the delivery system can handle.

Perhaps the critical nature of the financial control of the IEDF can best be illustrated by quoting in part from a letter dated July 7, 1976, from the director of economic development to key staff personnel in the Department of Indian Affairs and Northern Development, as follows:

> I would like you, in concert with your associates in the regions, to develop a more positive and measurable set of criteria to be used in conjunction with loans and contributions. I will expect to see a gradual release of funds tied to such events as the receipt of acceptable monthly accounting statements, productivity quotas achieved as reported through an agreed-to pre-determined process or the establishment of some kind of sensible target or sub-target for the enterprise. I am sure you will agree that many of our more significant problems seem to come to light later than they should. Our efforts to obtain approval to augment regional economic development strength seem to be well received—so I expect to see tighter criteria associated with project monitoring. I also, of course, expect to see close working relationships with our clients.
>
> The second aspect of our operations relates to the apparent crisis atmosphere which seems to be associated with the extension of continuation of guaranteed loans. M. Roy has developed, over a painful period of negotiation, the thesis with the Department of Finance that "we" are now competent to look after most of our own guarantee loan processing. By "we" I mean the regions. Our case isn't improved by such events as being "requested" to renew a guarantee for a considerable sum of money with nothing but 24 hours and an emotional telex to support our case. This sort of thing is not really a good way to run a railroad—let alone a development program. The example we set sometimes leaves much to be desired—would you put on your thinking caps and see if there is some easy process of tracking guarantees so that the element of surprise is minimized?

● (1550)

The content of the letter is self-explanatory. Yet this government attempts to deceive the Canadian people, and in this instance the Indian community, that it embraces all that is virtuous in accountability and fiscal responsibility. Let me simply state that after six years of competent administration of a multimillion dollar program, when the director of economic development is limited to the recommendation of "putting on your thinking cap," then quite frankly I think it is time to recommend another type of cap.

Again let me quote in part from a letter dated September 14, 1976, from the assistant deputy minister for Indian and Eskimo affairs to the acting director general of the Alberta region:

It appears that many of the comprehensive undertakings that have been established have created a continuing demand on our cash resources to a point where we may find it difficult to react to new, legitimate and sensible needs of our clients. I have reviewed brief data sheets based upon information provided by your staff and headquarters officials covering some 40 major projects and I must confess that I do not view the future of some of these enterprises with any degree of optimism. Further, I am somewhat dismayed by the apparent initiation of projects which must surely and obviously have inherent in them the requirement for considerable future funding and yet in many cases these projects appear to have enjoyed a somewhat casual start. I suspect that some of our more prominent problem projects started off on too grandiose a scale.

Enclosed with that letter, Mr. Speaker, were a number of examples revealing, in part, the magnitude of the problem. For example, Arcom Systems Manufacturing Limited, total funding $2,630,663, bankrupt and defunct. Arcom Timber Limited, total funding $1,720,000, bankrupt and defunct; Alberta Aspen Board Limited, total funding $9,150,000, with the added note, and I quote: "Flake board plant now shut down due to lack of funds. The future of the plant depends upon receipt of further funds in the form of additional capital involvement. No further funding input from the I.E.D.F." Mis-Tass-Iniy Forest Enterprises Limited, total funding $1,985,858, with the added note: "The plant was destroyed by fire. Some reconstruction commenced. No further funds recommended". Peigan Development Company Limited, total funding $629,565, with a recommendation for no further funding until there is a rationalization of the program. Sawyer Boats with a total funding, as I understand it, of $295,000, with the added note: "The project may well be a candidate for bankruptcy".

This list is by no means complete, and I am certain my colleagues who will be speaking this afternoon will be discussing in greater detail not only other financial disasters but other financial difficulties which have been experienced in the operation of this Indian economic development program from its inception. However, it must be obvious from the examples that I have given that a crisis does exist and that financial responsibility in the department has not existed and does not exist at this time.

What is even more tragic about this situation, Mr. Speaker, is that the perception has been created that the Indians involved in the ventures have failed. Let me simply say that nothing could be further from the truth. Indeed the evidence indicates that the failure of the program is clearly the responsibility of the minister and the Department of Indian Affairs and Northern Development. I need only refer the House to the report published by Woods, Gordon and Company and to their summary of recommendations which I read into the record at the outset of my comments.

I am tempted to carry on, Mr. Speaker, with the area of fiscal irresponsibility of the government in this regard, but I wish briefly to comment on the other important issues which I referred to at the outset of my remarks. As I indicated previously, the absence of government policy and the failure of the Government of Canada to adhere to the original mandate to fund viable small businesses up to a maximum of $50,000 has been a major factor resulting in the failure of the economic development program.

I have been exposed to bureaucratic rhetoric and their efforts to conceal the facts as to the magnitude of the problems. I can recall the former minister of Indian affairs and northern development, who is with us this afternoon, reporting in glowing terms about the success of the program two years ago. I also recall departmental officials, during examination of the estimates this year, valiantly if not convincingly implying to standing committee members that the problems were a recent revelation to the department and that corrective measures were being taken to establish viable alternatives and policies.

The facts do not support these observations. In the first instance, the problems have been apparent since the inception of the program. In the economic development operations study by the Management Consulting Services they stated on page 92:

Problems with the fund were realized from the start and indicated to management through several sources. One major problem, the conflict between creating viable business operations as opposed to creating employment opportunities, was never resolved.

Again in regard to policies I would like to quote in part from the Woods, Gordon report on page 32:

It is clear that the original mandate has evolved in practice although we could find no evidence that formal recognition had ever been given to such evolution. Thus we conclude that the present mandate is not defined. In fact one gets a different interpretation of the mandate depending upon who is giving it.

The report goes on to say:

This situation occurs with such frequency that one is forced to conclude that the staff of the fund is responding to a revised mandate in raising and approving projects, but is trying to clothe them in the trappings of profitability, viability and commercial success; the elements of the original mandate.

We can find no evidence to indicate that there has been administrative response to the changed mandate by means of revised policies, procedures or guidelines, or through deployment of resources.

Again the report went on to say on page 91:

It would be an overstatement to say that there is explicit policy, defined procedures and prescribed guidelines related to the fund.

Despite the platitudes of the government, Mr. Speaker, let me assure you that there is no evidence to suggest that the problems are resolved or that appropriate policies have been established by the government.

A major issue in the administration of the economic development fund is the knowledge that decisions were made for

political purposes. I want to quote part of a document from a regional office which clearly illustrates the problem. The program and the name are not important at this time, but the facts contained in the overview of the project are relevant to this particular issue. The lengthy document was prepared and reviewed by the regional staff and contained, in part, the following information:

Furthermore, the money obtained from this "under the counter" dealing was used as payments on . . . new truck and new $45,000 house. As near as we can determine, in the absence of records or financial statements, $10,000 was spent on the house and $7,000 on the truck, furnishings, etc. Due to lack of investigation on behalf of district staff, this information only came to the regional office staff after we conducted our own investigation.

Later in the document it was stated:

In view of the above, the writer is at a loss to determine how the district arrived at the above proposal or what it was intended to accomplish. We have now reached the point where we are throwing good money after bad and we will get neither back.

● (1600)

The Woods, Gordon report made several references to this critical problem. I should like to quote from page 36 of the report under the heading "Political Relationship", which reads as follows:

A fairly significant number of accounts were reviewed with borrowers who held key positions, at or prior to the time of account development, such as Chief or Band Councillor.

In the next paragraph of the report under the heading "Individual Relationships", the following appears:

A reasonable number of new accounts reviewed included individuals who were, at the time of their application or prior to the application, employed by the department.

At page 63 the report continues:

This type of behaviour is demoralizing for your staff, has long term implications for the credibility of your field people, and is damaging to your entire organization.

The knowledge that decisions were made for political purposes in the handling of funds, which are desperately needed to correct existing social and economic problems in the Indian community, is the most damaging and at the same time most despicable testimony in the chain of events. There is an important difference between incompetence and immorality. Incompetence is unacceptable and yet, not unlike a benign tumor, can be cured if there is the will and determination to do so. Immorality is also unacceptable but differs in that it spreads like a cancerous growth until it has engulfed and destroyed the affected organ. That is the present state of the government.

Some hon. Members: Hear, hear!

Mr. Holmes: Finally I wish to make a few general comments with respect to the work of the standing committee, which is particularly relevant at the present time since the Royal Commission on Financial Management and Accountability is studying this particular problem in addition to other areas defined in their mandate. The Standing Committee on Indian Affairs and Northern Development, unlike other committees, has for the greater part of its existence been composed of members from all parties who have been genuinely concerned about the Indian people in Canada. This common bondage has eliminated to a great extent partisan politics.

Unfortunately our collective concerns and predictable actions in the standing committee have been exploited by the minister and senior officials. Our preoccupation with the innumerable social, cultural and economic problems facing the Indian community combined with the presentation of departmental estimates in a form that to a great extent is meaningless, set the stage where members irrespective of party were psychologically prepared to accept answers they had hoped to hear, which inevitably led to the dissemination of unrealistic information.

The department has developed a remarkable capacity to undermine the work of the committee in their unanimity of purpose to assist the Indian community in Canada. The examination of the IEDF and the testimony received this year, and in the past, confirm a growing body of opinion that parliament is less relevant than in previous years. Perhaps it is a slight exaggeration to indicate that senior department officials view members of parliament with contempt. However, I do not believe it is an exaggeration to suggest they view members as pawns to be played with on an annual basis. Their game plan is obvious—self-preservation. Its execution is carried out with precision-like finesse.

On those rare occasions when a ministry perceives they are threatened, a steel curtain descends around the department which becomes the exclusive preserve of the elite. I find it remarkably strange such tactics are viewed with tolerance and an aura of respectability. There are no winners in such gamesmanship; however there is a threat to our institutions and the freedom of all Canadian citizens. It is perfectly clear, intentionally or otherwise, that the standing committee has been repeatedly misinformed about the economic development program, which in principle is supported by all members.

During the examination of the estimates in 1975 the former minister of Indian affairs and northern development gave glowing reports about the program, and yet I have placed before the House today evidence indicating there were serious problems from the outset. The answers I received to questions related to the PE-KUN-NEE Garments Ltd. from departmental officials, and the information I have from a documented regional overview of the project, confirm my skepticism as to the information supplied by the government.

The list is endless, but one final example may assist the House in understanding the seriousness of the situation. On Thursday, March 24, as reported in issue 28-A at page 26, I asked a question with respect to the failure of the IEDF. This was early in the proceedings before the majority of the testimony was received. The question I asked was:

Are you finding any common denominator or denominators other than departmental inefficiency?

The assistant deputy minister for Indian and Eskimo Affairs responded by saying:

Management by projects sponsored by either the Indian people who are engaged in the project or in some cases where it has been a joint venture with

non-Indian people including a number of projects that have been in manufacturing, wood products, the whole range of them in which the people who were managing them simply did not have the experience.

That, Sir, was a spurious attempt to deflect the blame from the real villain, the minister and the Department of Indian Affairs and Northern Development. Although the assistant deputy minister attempted to blame joint-venture projects involving non-Indians, it should be pointed out the Woods, Gordon study blamed the department for getting involved in the grandiose projects which always involved non-Indian personnel.

In conclusion, let me simply state the Government of Canada has not provided economic leadership to Canada's Indians, and it has failed to develop a cohesive and articulate policy on the IEDF. As I tried to stress earlier, it is the Indian community which has suffered because of the interference by the government in administering this fund. I should like to recommend that the Auditor General do an in-depth study and review of this particular program. In addition, it would be available for the Royal Commission on Financial Management and Accountability to assess this particular program and can make recommendations so that the committee system can be far more effective in the future.

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, the essence of the motion placed before the House consists of two charges: one, that the government has failed to provide the Indian community with economic development leadership, and second, that we have failed to enunciate a cohesive and articulate policy on the Indian Economic Development Fund. I reject both charges, and I think the evidence will establish that if there is any criticism to be made in this area, it is not on those points.

Let me review the recent history of Indian economic development. I think it will be recognized that a landmark was the establishment of the Indian Economic Development Fund eight years ago. It formed a financial base for a major departmental mandate to assist Indian people in creating employment and income-producing opportunities. An important feature from the outset was that Indian people be involved in the design and delivery of economic programs. A source of capital was provided to Indian businessmen and businesses, which were helped and encouraged through the provision of access to basic management skills and technical expertise.

After a period of initial hesitation there was a quickening of interest during the early 1970's on the part of the Indian people, and substantial commitments began to be made. This process has continued with a growing recognition by Indian people of the major role that economic development can play in meeting the serious problems which exist on the reserves.

The currently approved ceilings are $70 million for direct loans and $30 million for guaranteed loans. In addition, the main estimates for the current fiscal year have authorized approximately $15 million in grants and contributions. The establishment of this fund, its operation, the review which was undertaken after six years, and equally important, the broader socio-economic study now being done in co-operation with the National Indian Brotherhood, clearly represent government leadership in this field.

● (1610)

In the first six years of operation of the fund, we have estimated that employment arising from fund support represented approximately 8,400 man-years. The financing has gone into enterprises in agriculture, forestry, fishing, and trapping, construction, real estate, manufacturing, transportation, and wholesale and retail trades. The employment content has been concentrated in forestry, agriculture and manufacturing, followed by transportation-communication and wholesale-retail.

Indian people in every region have benefited. Let me mention a few outstanding examples. In British Columbia's Okanagan Valley the Osoyoos Indian Band operates one of the most successful vineyards in Canada. The total grape crop goes to the Andres Wine Company of Lytton, B.C.

In Saskatchewan a $29 million program managed by a board of directors composed of Indian, government and business representatives, aims to raise average gross earnings of Indian farmers as well as train 500 Indian persons for jobs in the agricultural industry. Similar programs are under way in Alberta and Manitoba.

In Quebec the fish processing plant of P.M. Packers of Mingan created 92 new jobs, 80 per cent of them held by Indian people. The plant is processing millions of pounds of raw fish annually.

In northwestern Ontario the people of the Whitefish River Band leased 360 acres of their land to Canada Cement Lafarge for erection of a cement storage and distribution plant at a substantial rental income for the well-being of the band.

Those are some of the noteworthy examples. But as I have already stated, and as the hon. member for Lambton-Kent (Mr. Holmes) indicated, our examination of the record shows soft spots.

It is important to realize that what was embarked upon eight years ago was very much a new venture. There was little data available and equally little experience in this field. Assessments differed as to the potential for successful ventures being launched. It is fine to look back now with hindsight and with the cold analytical eye of an accountant at the report used by the hon. member, and I heartily concur in these reports being done. In fact, as the hon. member indicated, this review was initiated during the period when I was minister of this department because I had some concern about these projects. I had some concern about their viability. This is particularly true of the larger projects.

I think that, by and large, the smaller projects support the thesis of our friend Schumacher—this is not Stanley—that "Small is Beautiful". Part of the problem we got into is that too many of the programs, as the hon. member indicated, were

of too grandiose a nature and beyond the initial capacity or ability of the Indian people involved to handle.

It is easy to express criticism and be wise after the event. It is more difficult to develop constructive and workable solutions. We still face a grim reality of Indian unemployment. Almost half the Indian labour force is currently unemployed.

It is estimated that 45,000 jobs need to be created to bring Indian unemployment down to the national average. Social assistance, which now totals close to $100 million a year, has increased by about 30 per cent a year in the past five years. Subsidized housing, health care and penal costs constitute significant additions.

The alternative to a perpetuation of this situation is to make very sure that whatever employment or earning opportunities can be made available to Indian people are made available on a long-term basis and are in keeping with their life-styles and their pace. This takes time and it takes money. The alternatives of long-term maintenance and continual development of the welfare syndrome are simply unacceptable.

Given these concerns, it has not been enough for us simply to assess the effectiveness of our current programming.

Indian thought and Indian assessment are imperative. This means resources for band level planning immediately. It means more organizations, like the national Indian arts and crafts corporation, that can develop strategies and act on behalf of Indians. And, of course, it places greater importance on the long-term studies towards a socio-economic strategy by the National Indian Brotherhood in which the department is co-operating fully.

We are reviewing our current economic development portfolio to re-capitalize and restructure worth-while projects and eliminate projects that are no longer operating, or would cost too much to continue to support.

Mr. Yewchuk: That will be 75 per cent of them.

Mr. Buchanan: No, that is too high a number. As I said a moment ago, the indication has been that the thrust should be far more toward the smaller projects where one can learn to develop management skills and expertise and to grow, and this is the direction in which we are now moving.

Let me summarize briefly what is proposed in order to stabilize the financial demands upon the Indian Economic Development Fund.

We have proposed that a sum of $31.7 million be devoted over the next three years to liquidate unsuccessful projects and to restructure projects that are improperly capitalized, by writing off loans and providing further support to those projects which will continue in operation.

We anticipate the need to ask parliament for additional funds in supplementary estimates for the current fiscal year to reduce or delete some of the direct loans outstanding and furnish additional funds for continuing economic development. This would be part of the three-year stabilization action.

We are making immediate adjustments to our current program structures to provide for developmental support to projects; to allow the support of differential costs, such as transportation and scale; and to support the development of Indian-operated economic service organizations.

As well, development is going on of improved programs in other areas to support Indian socio-economic development. These include increased emphasis on housing and community services support; increased resources for planning and technical support; improved short-term job creation and employment services programs.

A program review will be undertaken in response to the final report of the socio-economic task force to define a two year program of redevelopment and adjustment to implement agreed aspects of the policy.

Our over-all object will be to make increased resources available for economic development and to increase still further Indian participation in their management and distribution. We know that we will not eliminate all problem projects. We have made mistakes in the past and we will continue to make mistakes in the future. This is inevitable.

Mr. Yewchuk: We should throw you out.

Mr. Buchanan: That would be a bad mistake. We would probably not have enough money to meet all economic development needs—

Mr. Yewchuk: We can't afford to keep you.

Mr. Buchanan: —but these adjustments will allow us to be more efficient, more relevant, and to continue our efforts with the fundamentals of Indian and economic needs.

• (1620)

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I want to state at the outset what is very obvious, and that is that economic development is inseparable from social development and cultural traits. The native people of the north and native people generally throughout Canada have survived for many centuries in spite of harsh living conditions which have prevailed. In more recent times native peoples have been offered some opportunities and facilities for strengthening their capacity to survive, but survival must be more than mere subsistence supplemented by government subsidy. It must, above all, permit the people to make their own choices as to the place they wish to occupy and the part they wish to play in the evolving society of Canada.

Natives must be given every opportunity to become an equal and participating part of this socio-economic evolution, and we want to make it very clear that we want jobs and opportunities for jobs, not welfare. We do not want welfare in any form. We are determined that we shall have real choices while retaining our distinctive identity and taking pride in our cultural heritage. Some native people welcome opportunities to adopt what may be termed the new ways, while others wish to follow traditional pursuits. Thus, the challenge is to diversify the

approach to socio-economic development to accommodate all. This is not an easy task, but it is not impossible.

In the Northwest Territories, the part of the country I represent, there have been many very big changes in the lifestyle and the economic situation of the native population. The changes have been drastic. They have taken place over a very short period of time, and there have been casualties along the way. I expect there will be casualties in the future as we try to develop a good economic base on which to make a living.

When I think of the big changes which have taken place I think of my grandfather, Dinji Cho, a name which can be translated to "The Big Man". He was born and raised in the bow-and-arrow age. I do not think he met a white man until he was a grown boy. Today his children and his grandchildren are watching coloured television brought to them by satellite. That is a very big change in a very short period of time. When we try to change a culture and bring in different values, there are bound to be casualties, and I am sorry to say that there have been some.

In 1972 in a statement before the Standing Committee on Indian Affairs and Northern Development the then minister, the present Minister of Industry, Trade and Commerce (Mr. Chrétien) said, and I quote:

> The fur traders, whalers, miners and fishermen who invaded northern regions in the 19th and early 20th century exploited and sometimes exhausted resources for the benefit of distant, non-resident interests. They often showed little or no thought for the well-being or even the survival of the people already there and no concern for what happened to the environment. All they were interested in was getting in, getting rich and getting out.

And usually getting out very fast. That attitude on the part of big companies has not changed.

I cannot help but wonder if anything has really changed regarding that attitude of, for example, oil companies. When I hear the oil companies promising us northerners that a pipeline will solve all our problems, is it any wonder that I doubt that anything has changed? While I do not argue that a pipeline somewhere in the north may be necessary at some time, can anyone seriously suggest that this will help form a stable economic base in Canada's north? To me it is simply a perfect example of the boom-bust syndrome, and boom-bust is not the way to establish a solid economic base.

A couple of months ago I spoke in the budget debate. At that time I wondered if the government was seriously dedicated to socio-economic development. As I said at that time, all the Minister of Finance (Mr. Macdonald) seems to have done is to have fallen into the old trap of giving concessions to the big business community in the hope that it will come through with magical jobs and investment. We have tried that before, and it just does not work well. The Minister of Finance did not seem to understand the unique problems of the north or of natives and other unique groups and regions. If the problems are not recognized in the first place, how, then, can we solve them?

Everyone recognizes that there are basic human needs, included among which is decent housing. Yet many natives are denied that basic human right. They do not have enough houses, and those who do in most cases have houses which are poorly built and crowded. In 1975 only 51.4 per cent of on-reserve Indian housing was considered to be in satisfactory condition. Of the general population 90 per cent of Canadians' houses were in good condition. On the other hand, while almost 21 per cent of housing for Indians was so bad that it needed to be replaced, only 8 per cent of the general population lived in houses which were in extremely poor condition.

I have said many times and in many different places—and I will continue to do so and press for this until I see some results—that there should be a log housing program for the Northwest Territories.

Mr. Smith (Churchill): Hear, hear!

Mr. Firth: I am glad to hear some support coming from that corner over there. Such a program could be started in the western Arctic. Such a program would be very important to the people of the Mackenzie Valley at this time. It would be important to many other areas of Canada as well, I am sure. This program could be truly a joint socio-economic solution to a severe problem. People would end up with good houses which would last a long time. Local labour could be used for this construction rather than having southern manufacturing firms send up pre-fabricated homes which would not stand up to the harsh environment up there. Furthermore, an indigenous renewable natural resource could be used.

To further economic development in the north a program should be initiated whereby people who live in the north could return to the business of harvesting natural renewable resources. A good trapper's assistance program would cost a lot of money, but it would also save a lot of people from the social ills that many in the north suffer.

Many in the north are trying to live in what may be termed the new style. Some become caught in a pay cheque to pay cheque existence, and sometimes it is a no pay cheque to no pay cheque existence for a long time. A self-employed trapper might not see a pay cheque for a few years, but he would be willing to make a living at trapping if he had good equipment, good transportation—whether it be by motorized toboggan or by dogteam—good water transportation equipment and good camping equipment to go out on to the land. If he had all these things, he would be able to take a lot of food supplies from the land by means of harvesting caribou, moose, fish and so on.

After a brief visit to the north one of the ministers across the way mentioned just a few days ago that he found the cost of living up there to be very high. We have to look at northern problems in northern terms and find northern solutions for them. To achieve this, control over economic development must be given to northern people.

● (1630)

My colleagues and I have also spoken out on the AIB, claiming that it does not work. This fact can be no more clearly illustrated than in the north. While the AIB's own figures confirm that nowhere in Canada is it more expensive to

live than it is in the north, no special notice is taken of that fact.

In 1971 it was reported that the average family income for Indian people was $4,418, while the figure was $10,368 for the general population. In 1965, it was estimated that over 80 per cent of the native population of Canada was living in poverty, and the trend seems not to have changed appreciably over the past ten years or so.

Perhaps I should correct myself in the use of the word "poverty". I think that what we are talking about here, Mr. Speaker, is closer to what the German economist/philosopher E. F. Schumacher called "misery". He said:

> Misery is not the same as poverty. Poverty prevails when people have enough to keep body and soul together but little to spare, whereas in misery they cannot keep body and soul together and even the soul suffers deprivation. Poverty may have been the general rule in the past, but misery appears to have become widespread only in modern times.

He went on to say:

> Poor peasants and artisans have existed from time immemorial; but miserable and destitute villagers in their thousands and urban pavement dwellers in their hundreds of thousands—not in wartime or as an aftermath of war, but in the midst of peace and as a seemingly permanent feature—that is a monstrous and scandalous thing which is altogether abnormal in the history of mankind.

I think, Mr. Speaker, that you need only look at the statistics for natives with regard to disease, alcoholism, high unemployment, suicide, and mortality rates, to determine where we fit in Mr. Schumacher's description. We may have been poor before, but now we are truly miserable.

So what is to be done? I mentioned earlier that I should like to see a good housing program in my part of the country. The government's own figures indicate that we need at least 500 more units. Once before in this House I described the housing situation in the north as a disaster. I think, Mr. Speaker, that the best step is to give our native people more control over their lives. While not ignoring the good intentions which brought them about, the fact remains that such legislation as the Indian Act is cold, negative and paternalistic. In short, it is stifling. Millions of dollars are spent in various forms of welfare payments but the situation does not seem to really improve. Yet, if a native organization or other body asks for a little money to try to create a different approach that fits the given conditions of a development area, they are accused of wanting to return to the Middle Ages. Here I would refer to the program I mentioned earlier, a trappers' assistance program for people in the north who want to return to living on the land.

We native people are showing new vigour in our desire to grasp opportunities to better our living conditions. The best base for this would seem to be relatively independent groups at the community level pursuing projects that they believe to be the answer, or even the partial answer, to some of their economic problems. These groups are better able to identify problems, and establish projects and priorities which are most urgent at that level.

The brutal truth of the matter appears to be that any supposition that the government agencies can achieve a conceptually coherent and operationally viable program of integrated long-term regional socio-economic development is almost impossible. Past performance will bear this out. The culprit is, quite simply, the whole operational system.

It takes a lot of talent to find an argument that will convince the bureaucrats that a program can be viable. You have to tackle an army of bureaucrats and cut a lot of red tape. In my part of the country it seems we have to cut the red tape lengthwise. That is harder than the traditional way.

Development is acquired by money, diverse work, intelligent long-term sub-regional planning based on confidence, by determination and, above all, by the spirit of a group that knows it has something to contribute and to gain; and is being given a clear, unconstrained open and shut opportunity to prove that.

I know I am repeating myself when I say that a trappers' assistance program and a housing program for the north could work well. I must sound like a broken record, but I have to keep saying this although my words seem to fall on deaf ears.

In conclusion, Mr. Speaker, I would encourage the government not to think in conventional, paternalistic terms in its attempts to overcome the socio-economic problems faced by the native people. There is a natural inclination to hesitate and worry about taking the wrong course of action. However, some re-thinking is necessary. We must move boldly ahead. As Sir Wilfred Grenfell said:

> It is courage the world needs, not infallibility. . .courage is always the surest wisdom.

Some hon. Members: Hear, hear!

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I welcome the opportunity to participate in the debate on the motion condemning the government's policy with respect to the Indian Economic Development Fund.

First of all I think I should put on the record what that program is. In the publication "Indian Economic Development Fund" issued by the department in 1971, it is stated on page 3:

> The Fund, designed to assist Canadian Indians in developing and expanding viable business opportunities will provide job opportunities for Indian people, on and off reserves.
>
> One of the main objectives of the Fund is to ensure that Indian businessmen have access to basic financing and the managerial, professional and technical services necessary for the successful operation of their businesses.
>
> The Department sees the Fund as an effective link between Indian businessmen and sections of the Canadian business community whose support is required to help Indian people achieve the greatest benefits through economic development. It is a program which can be mutually beneficial to Indian and non-Indian businessmen.

The purpose of the program, based on a 1969 government white paper, was to fund viable small businesses to a maximum of $50,000. It was also to be used as a lever for funds from other agencies such as DREE, manpower and so on.

● (1640)

I came to Ottawa in 1972 and have been a member of the Standing Committee on Indian Affairs and Northern Development since then. Each year as the committee dealt with the main estimates of the department we discussed and considered the Indian Economic Development Fund. Each year we read

the annual report and listened to presentations made by the minister and various officials. They talked in glowing terms of this program.

The then minister of Indian affairs and northern development, now the Minister of Public Works (Mr. Buchanan), appeared before the committee when it considered the estimates in 1975-76. As recorded on page 11, issue No. 18 of the committee's proceedings of March 13, 1975, he said:

> Another area, an area which I regard as highly significant, is the area of economic development . . .
>
> Here again the results are obvious, whether one looks at the indigenous Crane Cove Oyster operations in Nova Scotia or the suburb developments on the Sechelt Reserve in British Columbia. All across the country one finds budding Indian and Inuit enterprise, such as: a ski resort at Thunder Bay, Inuit hunting and fishing camps in northern Quebec, a furniture factory at Samson, a motel at Sawridge, a cattle ranch at Beardy's, a bee-keeping operation at Roseau River, and a shopping centre at The Pas.

The hon. member for Churchill (Mr. Smith) will have something to say later about the shopping centre at The Pas.

The minister went on to say:

> They are eloquent testimony that Indian businessmen, given the opportunity of advice and resources, can thrive in this country.

Today the minister spoke about plans and history, still in glowing terms. Of course he is no longer the minister responsible. But he spoke of job opportunities. Mr. Speaker, if one examines the figures and charts given to us in the committee when we considered the miscellaneous estimates earlier this year, one will note that there are at present some 2,577 projects outstanding but that the number of native peoples employed on these projects totals only 4,722. In other words there are fewer than two jobs per project.

Mr. Smith (Churchill): Disgraceful!

Mr. Neil: It came as a real surprise to me earlier this year to learn, after members of the official opposition had done some prodding in committee, that the Indian Economic Development Fund was in a terrible, in fact in an absolutely shocking state. I can say in fairness that the officials who appeared before us were relatively frank about the over-all financial condition of the fund, but it was difficult to dig out certain details concerning the fund and details concerning projects.

If one consults the minutes of the committee meeting of March 24, 1977, one learns that since the introduction of the fund in 1970 some $140 million was advanced. At the time of the hearing $105 million was outstanding. That was made up of grants and contributions of $19.9 million, direct loans of $57 million, and guarantees of $28.3 million. In addition to this funding of $105 million, there has been other funding of various projects, by DREE, provincial industrial development agencies, the Department of Manpower, and so on. In the committee meetings I asked some questions about the extra financing figures and was told those figures were unavailable. Why they are not available I do not know. After all, the department supposedly is administering these various projects and loans.

Mr. Knox, the director of the program was asked questions about the additional financing. After I had asked him such a question about additional financing he said, as recorded at page 10 of the committee report, "The statistics on this are not very good as you can see." That was the beginning of the revelation at the committee hearings. Let me refer to issue 28-A of the minutes of the Standing Committee on Indian Affairs and Northern Development. It is the record of the meeting of March 24, 1977. As one will see if one examines pages 21 and 22 of the report, I asked questions. I suggested that although the balance outstanding on that date was $105 million, in order to salvage the program or the $105 million the Government of Canada or the taxpayers of this country will need to put in between $40 million and $50 million by way of grants and contributions. I raised this point as recorded at page 21. On page 22 Mr. Mackie, the assistant deputy minister, replied as follows:

> If I may, Mr. Chairman, the grants and contributions portion of it, of course, is going, for the most part, to viable ongoing projects. In other words, it is a continuing and additional investment in something that is going to continue to earn and be a viable project.

I then went on to say:

> I appreciate that. I mean, you are not throwing it into something which is bankrupt. But what I am trying to determine is how much money has been thrown in to try and salvage. You look here and there is $105,274,000 outstanding, and you are putting in $40,000,000 to protect that.

Mr. Ford replied as follows:

> Yes, that is the cost of the stabilization process, as we have called it. The total cost would be in the area of forty to fifty million dollars.

That extra amount represents almost 50 per cent of the amount outstanding. I then said I was just trying to assess the program. I said:

> . . . it seems to me that it is going to cost an awful lot of money to salvage what we have. Would it be a fair assessment to say that the program really has not worked out too well over the years?

Mr. Kroeger, the deputy minister, replied:

> The program has certainly had its problems. What you have had tonight is an outline of the first truly comprehensive review that has been undertaken of the program's operations since the department got into the Indian economic development business in a substantial way in the early 1970's.

I point out that although the program started in the early 1970's, a comprehensive review of the fund was undertaken only after several years of operation. Mr. Kroeger went on to say:

> There have certainly been problems. It is a difficult environment to operate in. We ourselves as a department, have had to go through a learning process.

The deputy minister's response was the understatement of the year.

The government had set up a good program in 1970, a program which would help the Indian people to begin viable business enterprises. As a result of ineptitude, lack of training and experience, red tape, lack of supervision, which the hon. member for Lambton-Kent (Mr. Holmes) mentioned, and lack of follow-up, the program is a disaster. Unfortunately the failure of this program has placed many Indian people and Indian Bands in a bad light with their non-native neighbours.

● (1650)

I will admit, as the former minister has said, that a number of the programs have been successful. There is no question about that. However, these are mostly smaller programs, programs which fell within the guidelines initially of being a maximum of $50,000. The major losses are on projects above that maximum.

Just as a matter of interest, some 40 to 50 of the projects included in the $105 million are over $500,000. When I say $500,000, that is the extent of the money that this fund has put into these projects. At the meeting of April 26 I asked the following question:

How many of the 40 to 50 projects over $500,000 looked at by the task force recommended by Knox-Nixon were found to be in financial difficulty?

That is all the projects over $500,000. The response was:

All 40 projects of $500,000 looked at by the task force were found to be in financial difficulty to varying degrees.

In other words all the programs where advances had been made of over $500,000 are, to some degree, in financial difficulty.

I wish to make reference to one project, one of a number on which we have been able to get some information. Other speakers will refer to some of the other projects. I wish to refer to the project known as Sawyer Boat Manufacturing Limited of Gleichen, Alberta. The project was set up to manufacture fiberglass boats. The project was not over the $500,000, but it would have been if the recommendations of the business service manager of economic development, Alberta region, had been followed. The project closed down in October, 1976. I believe it went into bankruptcy.

I have some figures. In fact I have three different sets, all of them government figures. It appears at the time the company closed down in October it had received, by direct loan, some $145,000, and contributions of $46,000, for a total of $191,000 from the fund. In addition it had received $12,757 from the Canada-Alberta Industrial Training Program.

I have some figures which are not in agreement with those I have quoted. Presumably they are all official figures. One set of figures I have totals $245,000 and another about $220,000. Which is correct? They are all official figures. Some are confidential, but if we look at the confidential figures the total is $295,000. That was not the figure given to me in response to a question I put in committee. Anyway, it is well over $200,000.

Just prior to its shutting down, there was a recommendation put forth by the business service manager, economic development, Alberta region, recommending additional advances of $400,000 yet at that point in time, according to the information I have regarding the application, the program was in trouble. It was in trouble for various reasons; insufficient capital, poor management, poor bookkeeping systems, and failure to keep records. This is interesting because on the first page of the application it quotes:

This project was initiated about one year ago, and finally got underway toward the end of the year. This was somewhat later than had been planned. This delay, which can be attributed to our own bureaucracy, had a costly effect on the first year of the enterprise.

I see that I am running out of time very quickly. In questioning in the committee it became apparent that the people from the department who were involved in the loan process really had no knowledge or skill with regard to loaning. They failed to carry out the protections given under the regulations that were promulgated in 1972. If they had followed those regulations there would not be the problems there are today.

The ADM said, and I quoted him a few moments ago, that during that period they were in a learning process. If you are setting up a loan agency you do not have your staff enter into a learning period of six to seven years. That is what has happened under this program.

The program has not been properly supervised. Politics have been involved. There has been carelessness and a lack of direction. The loans and loan applications have been mixed up with red tape. We see the result today. The result is that the taxpayer of Canada is going to have to put up between $40 million and $50 million to salvage an operation of $105 million.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, as has been indicated during the course of this debate, the Department of Indian Affairs and Northern Development has been in the economic development business for a very short period of time, about seven years. We knew when we began this program that there would be some risk and perhaps dangers. We were prepared to take them because we thought that the program was an important and necessary one for Indian people.

We admit that there have been some mistakes. We are not entirely satisfied with the way in which the program has been going and what it has accomplished. At the same time, there have been some success stories which we think ought to be on the record.

Last year the Indian Economic Development Fund and the Indian businesses supported by the fund received a comprehensive performance review to lay the groundwork for more effective Indian economic development. Since its inception in 1970, the Indian Economic Development Fund has encountered a number of serious problems stemming largely from a small business support fund attempting to meet a broad range of developmental objectives.

When the program first came into existence its mandate was directed mainly toward small business, but as it went on during the seven year period a number of larger projects were funded or given loan assistance. It is in this area that some problems developed. So now we are taking a very hard look not only at existing projects but at the economic development program itself. We are involving the Indian people in this review, a review which may result in recapitalization and restructuring of some worth-while projects and, in other cases,

the elimination of those which are no longer operating well or which simply cost too much to support.

● (1700)

During the past two years a number of key problem areas have been identified. Some of these have been mentioned in the course of debate, and others have not. Allow me to review these problem areas. Because of the nature of the projects involved the IEDF has been used to an increasing extent to support existing projects. Support for existing projects was often provided in isolation of other priorities. The limited contribution funds and greater flexibility of loan funds available have favoured the use of loans and, as a result, many projects were either too heavily debt-loaded or required significant development-type funding before being capable of normal operation. I might point out, of course, that developmental projects have involved extra risk, incurred heavy start-up costs, and sometimes relied on people who, unfortunately, were inexperienced in management.

I am sure all members are aware that when you become involved in economic development in some of the underdeveloped and needy regions of this country there is certain to be some risk. A great deal has been made about problems encountered by the IEDF in the past seven years, but I should like to remind hon. members that, although these are serious, corrective measures are being undertaken to improve the program so that it can meet its basic objectives. I might say, though, that in contrast with some economic endeavours in other parts of the country, the few failures we have experienced pale by comparison.

It was not long ago that the CBC in its national news drew attention to some economic disasters in the province of Newfoundland. The population of Newfoundland is approximately 522,000, according to the 1971 census, and this is less than double the number of status Indians in Canada—they number about 280,000. The CBC reporter, having considered economic development in that province, spoke about the failure of a linerboard mill at Stephenville as a result of which as much as $200 million might be lost and the town's future placed in jeopardy. He spoke about the shutting down of another industrial monument, a gypsum plant, in Cornerbrook, and about the closing of a massive refinery at Come-By-Chance; the plant, he said, was in receivership and Newfoundland holds the second mortgage of $41 million. He spoke about the failure of a tannery and glove factory, of a chocolate factory, of a woollen mill, of a rubber factory, of a steel plant and so on.

I realize, of course, that reciting a list of these economic reverses in no way justifies weaknesses in the Indian Economic Development Fund program. But I submit that it does underline that in programs of this kind, where a government is concerned and wishes to support economic development in slow-growth regions such as those in which many of the Indian people live, more often than not there is a risk which has to be taken.

To paint the picture fairly, though, reference has to be made to some of the successes. In my view these successes are outstanding and are well worth putting on record. First, though, I should like to refer to the improvement program which is now under way. During the course of the committee hearings it was emphasized, as hon. members have mentioned, that consultative studies have been undertaken to examine the whole range of Indian economic development programs and to suggest improvement and changes.

A comprehensive controls sytem will be introduced. There will be more closely defined planning and project assessment systems. There will be a longer development period applied to projects, with increased use of appropriate advisory and technical services. Emphasis will be given to the encouragement of small projects, and arrangements made for more complete counselling and monitoring as well as for the integration of projects into the developmental context of the Indian community. The hon. member for Northwest Territories (Mr. Firth) referred to this important need.

As mentioned, the mandate of the Fund was initially directed more to small business. However, in the course of time it became involved in larger projects which required a higher degree of management skill. This is where some of the difficulty became apparent. Let me point out, with respect to small businesses within the Indian community which have received government assistance, that a week and a half ago while visiting the regional office in Toronto and discussing the economic development program officials there told me that small businesses among the Indian people in Ontario have a success ratio which was in excess of the national average. Or, to express it in a negative way, the percentage of failures among small Indian businesses supported by government funds in Ontario was significantly less than for the nation as a whole.

I think it is worth while indicating to the House what the objectives of the Indian Economic Development program are. They are as follows: to increase employment and income opportunities for Indian people; to involve Indian people in the design and delivery of economic programs; to provide a source of capital to Indian people for economic development, both on and off reserves; to ensure that Indian people engaged in business have access to basic managerial, professional and technical services; to assist Indian businessmen achieve an effective working relationship with the business community at large.

I said I would talk about some successes. In recent years the Department of Indian Affairs and Northern Development has provided leardership and guidance in developing a range of sectoral programs for Indian people working in specific sectors of the economy. Examples are as follows: British Columbia, Indian Fishermen's Assistance Program; Saskatchewan, Indian Agriculture Program; Manitoba, Indian Agriculture Program; Saskatchewan and Manitoba, Wild Fur Programs; James Bay, Wild Fur Program. So as not to take an excessive amount of time I shall refer to only two of these programs and inform hon. members as to what has been achieved. The Saskatchewan Agriculture Program increased the gross value or primary production of no less than 350 farms. It upgraded 135 farms and created 215 new farms. It improved the average

income of these Indian farmers from $3,500 to $15,600. It raised total Indian farm income from $1.25 million to $5 million. Up to 500 Indians were trained for secondary industry, and improved economic conditions increased their social uplift.

• (1710)

Now, Mr. Speaker, what was the cost of such a program which had these benefits? Total federal investment, apart from loans, was $51,428 per farm. Total federal investment, development costs were $36,425 per farm. Total farmer investment was $33,200 per farm. Federal development investment broken down on a per man-year basis was $28,032, and per job $12,142. If you compare that with other job creation programs and I think hon. members will find the comparison not only favourable but probably rather outstanding.

Another program of benefit to Manitoba is the wild fur program. Under this program there are increased returns through improved production and marketing by 3,000 trappers, 1,700 of whom are Indians. The program improved trapper income from $850 per season to $2,850 per season. It raised total trapper income from $1.3 million to $5 million. The investment involved: federal investment per trapper was $820; provincial investment per trapper was the same; and trapper investment was $1,367.

While still on the subject of successes may I take a moment to talk about the Indian arts and crafts industry. In 1969 the Canadian Indian was faced with many difficulties in becoming economically viable. Some of the major areas of concern at that time were the following: firstly, as a result of their remoteness from major markets, poor prices, shortages of raw materials and the lack of working capital, many Indian craftsmen experienced difficulties in marketing their crafts, and many other Indian people who would produce did not do so. Secondly, problems exist with respect to consistency of quality control, product design and style, raw material usage and various forms of production methods. Thirdly, the arts and crafts industry, on a national scale, has just been organized. However, further organizational development was required to provide a broader based marketing and management information system. Lastly, despite their interest and pride in crafts, craftsmen and artists did not receive enough in return for their work.

In 1970 the Indian arts and crafts program was formulated as a result of a departmental review of arts and crafts activities and it began to improve in a significant way. The development of Indian arts and crafts has responded positively to the department's approach of joint participation. Once again, the department did not simply develop a program and impose it upon the people; it came through consultation and many joint discussions. In the spirit of this approach, management of Indian arts and crafts has been progressively transferred to Indian ownership.

Success in the arts and crafts program has been largely the result of the enthusiastic commitment and innovative management of the National Indian Arts and Crafts Corporation and its ten member Indian arts and crafts organizations representing Indian artists and craftsmen across Canada in nine provinces and one territory. In a speech on April 26, 1977, the Minister of Indian Affairs and Northern Development (Mr. Allmand) announced that the Indian arts and crafts program will be imminently transferred to the management and operation of the National Indian Arts and Crafts Corporation.

During the course of my brief comments I have made reference to government consultation with Indian people. Hon. members should be advised that the Department of Indian Affairs and Northern Development has adopted a joint working relationship with Indian leaders, with Indian organizations, and with Indian people. This has the endorsement of cabinet and it is, at least, a beginning and a recognition of the need to involve Indian people in initiating policies and planning programs which will ultimately affect their lives. At the political level there has been since 1974 a joint National Indian Brotherhood-cabinet committee where Indian people and government can discuss and reach a consensus on problems and solutions.

With regard to today's debate on Indian economic development, the Department of Indian Affairs and Northern Development has a number of task forces working with the National Indian Brotherhood in connection with this program. As a result of these consultations, this joint endeavour, there will be some improvements and changes made. In the economic development program there will be better control mechanisms developed, administrative procedures will be improved, and there will be some accepted guidelines established to minimize, though certainly not eliminate, the possibility of failure. I say that because some mistakes will continue to be made in the future. Therefore we know by being courageous enough to carry on with a program like this, by being willing to take the necessary risks we will be opening the door to the kind of excessive criticism of our program which we have heard during the course of today's debate.

There will be other projects which will fail in the future, no doubt, but we will not be deterred from working with the Indian people to create jobs and to help them achieve an economic base which can sustain them at a reasonable standard of living according to the accepted value system in this country.

Mr. Cecil Smith (Churchill): Mr. Speaker, as the member of parliament for the Churchill constituency representing a large Indian population in northern Manitoba you have heard me speak many times of the plight of the Indian people. Being a neighbour to these people for many years, I have witnessed first hand the many hardships that they face.

The 30 Indian bands in the Churchill riding are characteristic of the national Indian scene. Despite great efforts on the part of Indian leaders over the last decade, 1976 Canadian statistics report that the unemployment rate of Indians is 50 per cent to 60 per cent, the welfare rate is over 50 per cent, average income per family is $1,500, and the infant mortality rate is 2.6 times greater than for the general population. With statistics such as these we must question what the Canadian

government—or the Trudeau government which espouses a just society—has done for Indian people.

The Indians have made many representations over the last few years for assistance in the area of economic development. I have heard them state many times that they want development that will lead to employment and self-sufficiency.

The hon. member for Lambton-Kent (Mr. Holmes) and the hon. member for Moose Jaw (Mr. Neil) raised the issue here today of the Indian economic development fund administered by the Department of Indian Affairs and Northern Development. This fund, established in 1970 with $50 million in capital to distribute over five years, was to assist in the economic improvement of Indians. It was to support small, viable businesses to a maximum of $50,000. Like my colleagues who spoke before me, I share their concern regarding the administration of the Indian Economic Development Fund. I am deeply distressed about the serious deficiencies which appear to exist in this program.

During our standing committee meetings on the main estimates of Indian affairs, testimony from departmental officials and various studies we have reviewed revealed that there is a multitude of problems surrounding the IEDF program. I am concerned that a program designed to improve the economic situation of Indians has done little more than create situations which reflect badly on the Indian communities involved.

● (1720)

Since the Indian Economic Development Fund was established in 1970 the total investment has been $145 million. Of this amount, several million is being spent either bailing out or writing off a number of the projects. Though the official mandate of the IEDF was to fund small viable projects, we have learned that approximately $45 million is being spent on projects with amounts over $½ million, and another $24 million on projects involving amounts between $100,000 and $500,000. Some $69 million out of $145 million is being used for projects that in fact exceed the mandate of the Indian Economic Development Fund.

This in itself is disturbing, when a department responsible for the administration of such an important program administers millions of dollars without a clear policy. I wonder how many Indian people are aware of the collective negative results of this Economic Development Fund, which is ending up with millions of dollars being foolishly squandered.

My concern relates to the number of projects funded by IEDF which are in trouble. Several of these were identified in the Woods, Gordon study on the Indian Economic Development Fund completed in November, 1976. This study prepared for the government explains the difference in terms of success between the small projects as opposed to the larger projects. In dealing with individuals and small enterprises, the fund has had some measure of success. The large complex projects, with few exceptions, are in serious financial and operating difficulties.

At a standing committee meeting on April 26, 1977, Mr. Neil asked how many of the 40 to 50 projects over $½ million were found to be in trouble. The reply was that all 40 projects of over $½ million were in difficulty to varying degrees. Further to this it was indicated at this meeting that $50 million would be required to put all the various projects in good standing. This referred to write-offs and additional funding. Surely, this is a sign that financial management and control in this program are grossly inadequate. To the general public having some knowledge of these projects, they will no doubt attribute this trouble to poor Indian management. It is, therefore, necessary to enlighten the public by revealing the inadequacies of the program stemming from departmental deficiencies.

I feel that the Department of Indian Affairs and Northern Development must assume a large part of the responsibility for the deficiencies of the program, for it is the department which is operating the Indian Economic Development Fund without a well defined policy. It is the department which has failed to provide proper administrative advice and controls to the enterprises, and it is the department that has allowed the program to operate in this careless haphazard manner for seven years.

As an example of bureaucratic bungling in the case of the IEDF, let me discuss the multi-million dollar shopping complex which was built on The Pas reserve in Northern Manitoba. The shopping complex, known as The Otineka Mall, is owned and operated by The Pas Indian Band. This is one of the projects funded by the Indian Economic Development Fund which exceeded the $50,000 mandate by $8 million. The final cost of the shopping complex was $8.5 million. This complex is the result of a modest request from The Pas Indian Band to develop a small convenience store to serve The Pas Reserve residents and also highway traffic north of The Pas. This request was initially made to the Manitoba government in a letter from the Indian band dated September, 1970.

Today The Pas Indian band is saddled with a shopping complex which encompasses approximately 193,000 square feet of gross leaseable area and approximately 158,000 square feet of net rentable area on three levels. At present there is a significant area of unoccupied space. The complex is having serious financial problems. The director of economic development for the Department of Indian Affairs has indicated that they are trying to work out the kind of financing the centre can support on a long-term basis. The problems facing the shopping complex are attributed by the assistant deputy minister of Indian affairs to government overbuild.

The chief of the economic development branch of the Department of Indian Affairs and Northern Development explained the problem of overbuild as follows:

> The centre was overbuilt—it was built to government specifications through the handling of the construction by the Department of Public Works—and this has been largely responsible for the cost overrun . . . What this really means is that the specifications or the standards of Public Works are very high for public buildings generally, probably higher than you would find in private industry for a similar kind of building, and perhaps arguable too high, or unnecessarily high, for the nature of the building itself.
>
> A second aspect of overbuild is described as being that the size of the shopping centre relative to the market was too large. In other words, it was overbuilt in terms of size.

I question who is at fault in overbuilding an enterprise such as The Pas shopping complex. It is obvious that at least two departments of government, the Department of Indian Affairs and the Department of Public Works, must take the major responsibility for its present state of affairs.

For the record, I would like to review some of the incidents leading up to the $8.5 million dollar complex at The Pas. As I mentioned earlier, the initiative to develop a small convenience store to serve The Pas Reserve residents and also the highway traffic north of The Pas came from The Pas Indian band in a letter to the Manitoba government in September, 1970. In December, 1970, a Mr. Gordon Fisk was hired as a consultant to the band. In a letter to the Department of Indian Affairs and Northern Development, Mr. Fisk proposed the development of a modest shopping centre of between 20,000 and 25,000 square feet with a food store, a general store, and space for a bank or drugstore.

A further study commissioned by the band from Damas and Smith Limited was completed in January, 1973. This study indicated the need for limited retail facilities on the reserve to serve the Indian population and tourists travelling along Highway Number 10. This study made specific reference to the fact that there is insufficient market potential to support a large scale development.

On June 29, 1973, in a letter to Mr. Keith Taylor, who was then the member of parliament for the Churchill riding, the late Chief of The Pas Indian band, Mr. Gordon Lathlin, wrote and I quote:

> At one of your visits at the band office I discussed with you our development plans which included construction of a small retail complex.
>
> We have been dealing extensively with the Department of Indian Affairs and it appears that at least the store complex will become a reality in the near future.
>
> At the moment we are trying to secure tenants for the building.
>
> The purpose of the development is not only to provide jobs for band members and revenue for the band, but also to provide services to residents of The Pas reserve. In this respect we would like to pursue the possibility of locating a sub-branch of the Post Office on the reserve. Having to pick up mail at the Post Office in town creates a hardship for many people who do not own vehicles.
>
> I am asking for your assistance in pursuing this matter. Please contact the proper authorities to get an indication of what can be done. As we are planning to get construction under way this summer it is important that we get an answer quickly.

At this point, it is evident that the band was still thinking in terms of a small retail complex.

In July, 1973, the assistant deputy minister of Indian affairs invited the property development branch of the Department of Public Works to undertake a re-assessment of the retail and commercial possibilities for The Pas band. They set about their task by way of a Department of Public Works authored department store type of merchandise study. In August, 1973, the DSTM study was completed, identifying the need for additional major commercial facilities in the area of The Pas. In contrast to the Damas and Smith findings, the DPW report concluded that there exists a strong possibility to establish a regular closed shopping mall in The Pas region.

● (1730)

In October, 1973, The Pas Indian band adopted a band council resolution authorizing the Department of Public Works, first, to enter into a contract with an architect to design the shopping centre and, second, to negotiate leases.

The Department of Public Works then had the major role to design, oversee the design and to set up leases and search for tenants.

The townspeople of The Pas expressed a great deal of concern about the proposed regional shopping centre on The Pas reserve. In a letter to the minister on December 18, 1973, Major Jack Kennedy of The Pas questioned, among other items, the justification for the size of the proposed complex which by this time was proposed to be 110,000 square feet. Resource Development Associates Limited prepared a feasibility study for the town of The Pas. This study essentially disagreed with the Department of Public Works study, in regard to, first, size. DPW recommended a complex of well over 100,000 square feet. Research Development Associates recommended a complex no larger than 35,000 square feet. Second, it disagreed in regard to the trade area. DPW stated a 150 mile radius; Research Development Associates stated a 50 mile radius.

Despite conflicting recommendations in various studies;

in June 1974, the Minister of Indian Affairs and Northern Development attended the sod-turning ceremony marking the official start of construction and the Department of Public Works was granted a mandate from the Department of Indian Affairs and Northern Development to construct the shopping centre including the awarding of contracts, construction progress payments, leasing, supervision and the general management of the entire construction phase of the project.

Where were the Indian people in all of this? It would appear that following the adopting of a band council resolution in 1973 authorizing the involvement of the Department of Public Works, it was virtually out of the hands of The Pas Indian band.

Otineka Mall—the Pas Regional Shopping Centre is completed and has been in operation for about one year. It is, indeed, an impressive structure for the area. The end result was 190,000 square feet of retail and office space at a cost of $8.5 million. This is a far cry from the $250,000 complex announced by the minister on July 19, 1973, or even the DPW news release on June 21, 1974, which gave the amount as $4,950,000. Of further interest is the Otineka Mall information sheet which states that the market area covers a 50 mile radius, not 150 miles as stated in the DPW study. Today, the sensible dream of a small shopping complex can be described as turning into somewhat of a nightmare for the Indians of The Pas band. Once again we witness the manipulation of government to the detriment of Indian people.

The financing of The Pas shopping centre complex involved a bank guarantee and a direct loan from the Indian Economic Development Fund. The loan was for $6 million, of which $4 million was guaranteed by the department. There was an over-run. The final cost of the complex is now at $8.5 million. Cost over-run is due to overbuilding.

If DPW's specifications or standards "are very high for public buildings generally", then why was DPW assigned to build a shopping complex in the first place?

The Department of Indian Affairs would have not been involved in such an enterprise if they had followed their own regulations. The regulations state that loan arrangements under the IEDF are basically for a 15-year term. There is no way that $6 million can be paid back to the department in that length of time.

I see that my time is running out, Mr. Speaker, but I would just like to conclude by saying that it is evident and plain that there are serious deficiencies related to all areas of IEDF including management direction and guidance, financial accounting systems, financial and reporting systems, and planning systems.

I feel the program warrants a complete overhaul so that it might properly be put "on track" to do what it was intended to do—which was to improve the economic conditions of Indian people.

Directions from the government have involved the Department of Public Works and the Department of Indian Affairs and Northern Development in the construction of showplaces across Canada for political purposes only, with no regard to the disastrous and distasteful end result, and leaving an area with a black eye. Writing off $4.2 million is nothing more than a cover-up by the Department of Indian Affairs and Northern Development to protect the bungling of the Department of Public Works in connection with the Otineka shopping mall in The Pas. I believe that the Auditor General should review this program and report his findings to the House.

Some hon. Members: Hear, hear!

Mr. Bob Brisco (Kootenay West): Mr. Speaker, the shocking revelations made today by the Conservative members for Lambton-Kent (Mr. Holmes), Moose Jaw (Mr. Neil), and Churchill (Mr. Smith), are a story of corruption, flagrant and patently ugly political patronage, misconduct, mistruths, and mismanagement.

Some hon. Members: Order!

Mr. Brisco: Wait till I finish. It is self-evident that the Caspar Milquetoast of the cabinet, the Minister for Indian Affairs and Northern Development (Mr. Allmand), has been gulled and misled by his own department. This misguided minister, bumbling along in the sure knowledge that all is well in his ministry, in for a rude awakening on his return to Ottawa, will discover, when he is jerked back into the realm of reality, that his ministry is in disarray and turmoil, that morale is at a low ebb, and that rather than serving the native peoples of Canada they have been used as pawns in a chilling and frightening game of politics—on that I will remark later.

Mr. Speaker, today I am going to review the nauseating account of only five projects funded by this department.

On November 25, 1976, at a meeting of the Standing Committee on Indian Affairs and Northern Development I

[Mr. Smith (Churchill).]

inquired as to the funding of the Ehattesaht Co-op. The funding is as follows: direct loan, $500,000; guarantee $1,800,000; contribution, $110,000; appropriations $25,000; that is a total of $3,035,000. In addition there was a special ARDA grant advance of $1,843,877 and Manpower training contracts of $44,871, bringing it to a grand total of $4,323,748.

Ever naive, or purposely deceptive, the department added:

The Department's regional office has stated that the co-operative had ample support of competent professionals.

That is auditor, forestry engineers, general manager.

Mr. Speaker, those statements do not square with the facts. In addition, correspondence from those firms which sold logging equipment to Ehattesaht Co-op leads me to believe that Indian Affairs deceived the creditors by creating the illusion that all was peaches and cream and that they had nothing to worry about. These unsuspecting businesses were taken for $2,490,382. It is interesting to note, however, that in the list of creditors there is no mention of More Leasing Limited of Chilliwack, B.C. a company that leased equipment to the co-op, mainly in the form of crew buses and pick-up trucks. a one third owner of this liberally supported firm is Mr. Wilmer Stromquist who, from July of 1974 to May of 1975, acted in a consulting capacity to the co-op, and after that acted as general manager under contract to the co-op.

I ask the minister to tell the House what the consulting fee was and what the salary was as general manager. I ask the minister to tell the House what salary Mr. Stromquist received when he was appointed an employee by the receiver-manager when the co-op went into receivership. I ask the minister to tell the House whether or not More Leasing Limited or any of its owners purchased any of the liquidated assets of the company and, if so, at what price. I ask this because the receiver-manager, as the responsible individual for the total operation of the co-op from May, 1976, to the present, designated Mr. Wilmer Stromquist to act as manager for current operations of the co-operative, that is, removal and selling of all remaining inventory under the co-operative's control.

● (1740)

I ask the minister to tell the House how Mr. Stromquist, described by the minister's own officials as a widely experienced manager of logging operations, could not only sanction but also participate in a trip to Hawaii along with his wife and daughter, two members of the board of the co-op, and two non-members of the board, when he knew the untenable condition of the co-op. To set the record straight, let me quote in part from the department's reply to my inquiry as follows:

The portion of the cost of the trip paid by the co-op was approximately $6,000... At present approximately 25 per cent of the trip cost remains uncollected due to the closure of the operations and lay-off of people concerned.

The final sequence to this disaster is that it was not the Department of Indian Affairs and Northern Development which blew the whistle; it was DREE. It was also a source within DREE who commented that most of Mr. Stromquist's management pronouncements were made from Vancouver and not from the project site.

I would like to turn to Sawyer Boats. This outfit received on November 25, 1975, one loan of $55,000, another on the same day of $19,800, and a third on the same day of $25,200. That was over $99,000 in one day for a company which was, in the opinion of the department, "in a precarious position", and a project that "may well be a candidate for bankruptcy". Mr. Mackie did not consider that that type of funding thrice in one day for a firm already on the verge of bankruptcy unusual.

I turn now to the blatant examples of political patronage at the individual level. I ask why, in the wildest stretch of the imagination, the Department of Indian Affairs and Northern Development would arrange a term loan for Cardinal Family Farms in Alberta for $113,000 with a repayment of $1 a year for the first four years, plus simple interest. I ask how an operating loan for $15,000 under the same terms could be allowed. I ask how it could be done with practically nothing in terms of equity owned by the Cardinal family. The Cardinal family had equity of $10,000 and received $153,000.

I also asked about Chief Norman Yellowbird of Alberta. He received $22,000. He had equity of less than $2,000. This little story is interesting because one of the conditions of the loan was that Yellowbird dispose of unnecessary equipment, machinery and other vehicles. In spite of this, Yellowbird did not sell his car, and when the second loan was authorized on June 6 the loan contained a condition that the car be sold. Yellowbird traded his car in and purchased a new $6,000 pick-up truck. Previous to this he already owned three trucks, one of which was a pick-up truck in relatively good condition. The money obtained from this under-the-counter dealing was used as payments on Yellowbird's new truck and a new $45,000 house. That is political patronage of the worst kind.

Some hon. Members: Shame.

Mr. Brisco: Let no one doubt or challenge my intentions.

* * *

[*Translation*]

BUSINESS OF SUPPLY

MOTION FOR CONCURRENCE IN VOTE 1, PARLIAMENT

Mr. Deputy Speaker: Order, please. It being 5.45 p.m., it is my duty, pursuant to the provisions of Standing Order 58(10), to interrupt the proceedings and to put forthwith every question as may be necessary to dispose of any item of business relating to the main estimates and for the passage at all stages of the bill based thereon.

[*English*]

Mr. Andras, seconded by Mr. MacEachen, moves that Vote 1—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before you put the motion in the name of the President of the Treasury Board (Mr. Andras) I should like to rise briefly on a point of order. I do not object to the fact that what will be put to the House is the positive motion for this particular item, but I still think, as other hon. members do, that a way should be found for it to show in the record that the reason that positive motion is being put is because a member filed notice of opposition. In this case the notice of opposition happens to be in my name, and I would like it to be clear that the reason we are voting on this one item in the name of the President of the Treasury Board is that we want the opportunity to vote against spending all this money on the Senate.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I understand the preoccupation of the hon. member, but it is difficult for me at this time to satisfy him, except to indicate to him that he should look at this matter for future times. However, at this time I have no alternative. In raising his point of order I think the hon. member has achieved what he wanted to, without too much debate, of course, but everybody knows that the reason we have a separate vote on that first motion is that there is an item which is opposed by the hon. member.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on one other point of order. I think the word "parliament" should be spelled correctly in the English version, not "parliment".

Some hon. Members: Oh, oh!

Mr. Speaker: I shall read it correctly!

Hon. Robert K. Andras (President of the Treasury Board) moved:

That Vote 1, in the amount of $6,925,892 under Parliament for the Senate—Program Expenditures for the fiscal year ending March 31, 1978 (less the amount voted in Interim Supply), be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

Estimates

● (1750)

(Division No. 53)

YEAS

Messrs.

Alexander
Anderson
Andras
(Port Arthur)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Basford
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Brisco
Buchanan
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Clarke
(Vancouver Quadra)
Clermont
Coates
Comtois
Condon
Corbin
Corriveau
Cossitt
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Dawson
De Bané
Demers
Dinsdale
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Halliday
Hargrave
Harquail
Herbert
Hnatyshyn
Holmes
Hopkins
Horner
Huntington
Isabelle
Jelinek
Johnston
Knowles
(Norfolk-Haldimand)
Lajoie
Lalonde
Lambert
(Edmonton West)
Lamontagne
Landers
Langlois
Laniel
Lapointe
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Loiselle
(Saint-Henri)
Lumley
MacEachen
MacGuigan
Maine
Malone
Marceau
Marchand
Marshall
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
Nicholson (Miss)
Oberle
O'Connell
Olivier
O'Sullivan
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Pigott (Mrs.)
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Ritchie
Roberts
Robinson
Roche
Rooney
Roy
(Laval)
Rynard
Sauvé (Mrs.)
Savard
Scott
Skoreyko
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Stollery
Tessier
Towers
Trudeau
Trudel
Turner
Wise
Wood
Woolliams
Young—166.

NAYS

Messrs.

Beaudoin
Brewin
Broadbent
Caouette
(Témiscamingue)
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Gauthier
(Roberval)
Knowles
(Winnipeg North Centre)
Leggatt
Nystrom
Orlikow
Rodriguez
Rondeau
Symes—14.

● (1800)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN MAIN ESTIMATES

Hon. Robert K. Andras (President of the Treasury Board) moved:

That the main estimates for the year ending March 31, 1978, except the item disposed of earlier this day, and less amounts voted in interim supply be concurred in.

Mr. Speaker: Shall the motion carry?

Mr. Knowles (Winnipeg North Centre): On division!

Motion agreed to on division.

Mr. Andras thereupon moved that Bill C-58, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1978, be read the first time and be printed.

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

Mr. Andras moved that the bill be read the second time and referred to committee of the whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

Clauses 2 to 6 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. MacEachen (for Mr. Andras) moved that the bill be read the third time and do pass.

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

Some hon. Members: On division.

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

Mr. Speaker: It being six o'clock, this House stands adjourned till tomorrow at 11 a.m., pursuant to order made Monday, May 30, 1977. Again I extend the usual invitation to all members to join me for a small libation outdoors at beautiful Kingsmere.

Some hon. Members: Hear, hear!

At 6.18 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, June 23, 1977

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed, from Tuesday, June 21, consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Rodriguez: I rise on a point of order, Mr. Speaker. When Your Honour outlined the groupings of motions for debate, it was indicated that members could review the arrangement. Your Honour had indicated that motions Nos. 7, 8, 9, 10, 22, 15, 29, 30 and 32 would be debated together. Upon review, I note that motions Nos. 7, 8, 9, 10 and 22 deal with the subject of the minor attachment period going from the present eight weeks to a range of ten to 14 weeks, while motions Nos. 15, 29, 30 and 32 deal with the length of the benefit period.

I would suggest that motions Nos. 7, 8, 9, 10 and 22 deal with a topic that is separate and apart from the length of the benefit period dealt with in motions Nos. 15, 29, 30 and 32. I would draw to Your Honour's attention the possibility of splitting that grouping and putting motions Nos. 7, 8, 9, 10 and 22 together in one group, and Nos. 15, 29, 30 and 32, and No. 11 which you had indicated to be separate, could be put with the latter group for debate.

Mr. Speaker: Order, please. We are in some difficulty because we are in the midst of debating motion No. 7 under that proposed grouping, and I would not want to do anything that might prejudice the contributions that have already been made to the debate. I do not think, either, that it would be appropriate to give those who have already spoken on motion No. 7 under that grouping a chance to speak again on the second grouping.

On the other hand, it is never the intention of the Chair to attempt to compel members unduly to speak on a subject that might not be convenient to them. Since we are continuing consideration of that motion, I think I would have to give this suggestion some thought. Had we not already launched upon this discussion, my basic inclination would be, of course, to accede to the request of the hon. member. The whole purpose of this is to try to make debate more meaningful for members, certainly not to cut short any contributions to be made by members.

I would want to reflect on whether we might create some difficulty by giving members who have already spoken a chance to speak again and in some way prejudice the contributions that have already been made.

Mr. Symes: On the same point of order, Mr. Speaker, as I recall, when we last debated this matter the two or three speeches made at that time only dealt with motion No. 7 and not the topics covered in the other motions. I do not think we would have a problem of repetition or prejudicing what has already been said.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I would also point out that only two members have spoken thus far, the hon. member for Nickel Belt (Mr. Rodriguez) and the hon. member for Sault Ste. Marie (Mr. Symes), although the member for Yorkton-Melville (Mr. Nystrom) had just started. Since the hon. member for Nickel Belt proposes including motion No. 11 in one of the groups, I think the problem of members speaking again is not a very serious one.

Mr. Speaker: My inclination would always be to accede to the request of hon. members that the grouping proposed by the Chair be adjusted as we go along in order to give effect to the desire of members to debate these motions intelligently. In view of the fact that I had indicated initially that while this rather broad grouping might be taken together for purposes of discussion, even under that arrangement the question would first be put on motion No. 7 and that would dispose of the grouping except for motions Nos. 8 and 10. I have already indicated something close to the division, at least for the purposes of voting, envisaged by the hon. member.

I would think we ought to be able to accede to the hon. member's request, and if there is no objection I propose to go ahead with that grouping and therefore consider that the discussion now continuing on motion No. 7 be considered as discussion on motions Nos. 7, 8, 9, 10 and 22. I did not understand the hon. member for Nickel Belt to include motion No. 11 in that grouping.

Mr. Rodriguez: No.

Mr. Speaker: The second grouping would then be motions Nos. 11, 15, 29, 30 and 32. Is that agreed?

Some hon. Members: Agreed.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before us extends the minimum attachment period from eight weeks to ten weeks and as far as 14 weeks, depending upon the region in which the applicant lives. After three years, the minimum attachment period is extended to 14 weeks for all regions. This concerns me despite the fact that I come from the relatively low unemployment area of Saskatchewan, although Manitoba and Alberta are also low.

As the law stands, a worker can qualify for unemployment insurance benefits if he loses his job, or if a job is not available, after being in the labour market for eight weeks, but if this motion is adopted it will mean he would have to be in the labour force for ten to 14 weeks, based on the unemployment rate. I would assume that in a low unemployment area like the prairies it would be at least 14 weeks. Some people may say it is fair to treat high unemployment areas in a more liberal fashion than low unemployment areas, but I suggest that is not necessarily the case. In an area like mine, where the official unemployment rate is only about 4 per cent, there are many people with problems similar to those of people in northern Ontario, northern British Columbia, eastern Quebec and the Atlantic provinces, and they should be able to qualify for UIC benefits in the same way. There are people in my area who do not have the training, job skills or education required and are put into jobs which do not last very long.

It seems to me that this type of bill balkanizes the country and different areas will be treated differently. I do not think this is a very good precedent to set. All Canadians make the same contributions and should be able to draw the same benefits. A worker in my area makes the same contribution as a worker in Sault Ste. Marie, in Cape Breton or in Matane, but in order to draw benefits he has to meet different criteria and that is not really fair. To me, this discriminates against people working in my riding. They make the same contributions as other workers and often do the same job.

• (1120)

For example, in my riding there is large potash mine and a large CNR terminal. There are also large mines and large terminals in the maritimes. Workers in my riding, as in the maritimes, make the same contribution to the unemployment insurance fund, but under the new regulations, if a worker in my riding loses his job after he has worked 12 weeks, he will not qualify for unemployment insurance, whereas workers in the maritimes who have done the same job for the same time and lose their job will qualify for benefits. Clearly, the minister is establishing a bad principle. I point out that both workers pay the same premiums but they will not be treated equally. That shows, I suggest, how unfair is this part of the bill which the minister asks us to support.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It does little for the cause of national unity.

[Mr. Rodriguez.]

Mr. Nystrom: As the hon. member sitting in front of me says, it will do little for the cause of national unity. It will make this country's working people cynical. Certainly, if people in my riding lose their jobs, they will look cynically upon how people in other parts of the country are treated. The minister should not do this. The bill should treat the entire country uniformly, instead of attempting to balkanize it. The minister's proposal will do just that.

Apparently, the minister is more concerned about stopping the few people who abuse the plan than about solving the problem of unemployment. Mr. Speaker, this country's problem is not that a few people abuse the unemployment insurance fund; the problem is unemployment, finding jobs for people who want to work. If we had jobs for all Canadians, the vast majority would prefer working to drawing unemployment insurance. The minister seems to be more concerned about stopping a few abuses than solving unemployment, more interested in pumping billions of dollars into the unemployment insurance fund than in using imagination and encouraging the government to promote new policies which would create jobs.

Mr. Speaker, we could do much to create jobs for Canadians. For instance, we could embark upon a national insulation program of the kind my party has advocated since last October, or a housebuilding program which would put people to work quickly, or national winter works programs which could be used to constructive benefit in our communities. Above all, we must bring about long-term economic changes in this country. We must encourage manufacturing and the processing of raw materials in Canada before they are exported. Mr. Speaker, Canada imports more manufactured goods per capita than any other industrialized country, which is a crime. Manufacturing is labour-intensive; resource development is capital-intensive. Therefore, we are exporting our jobs to the United States, Europe, Japan and elsewhere, and importing unemployment from those same areas of the world.

We must change this policy if we want full employment in this country. Instead of embarking upon such imaginative policies, the government should crack down on the few who abuse the unemployment insurance plan, to sue them, as the hon. member for Sault Ste. Marie (Mr. Symes) says, as scapegoats. The government is not grappling with the fundamental problem, that of providing jobs for Canadians from coast to coast. The minister bases his proposal strictly on the bureaucracy's nationwide unemployment figures. But in my riding many of the unemployed are not included in official unemployment figures. There are seven Indian reserves in my riding, on some of which unemployment is running at 90 per cent. On the best of them, about half the Indian people are unemployed. So that you can safely say between 60 per cent and 80 per cent of the people on the reserves are unemployed. They are not included in the Statistics Canada figures because they are treaty Indians. If you included them, you would find that the unemployment rate in Manitoba, Saskatchewan and Alberta is higher than the official figures show.

Under the new regulations our native and Indian people living in the prairie provinces will not be treated as generously

as native peoples living in Ontario, Quebec, the Atlantic provinces and British Columbia. They will be penalized, which is not fair. It is difficult enough for Indians and Metis to find jobs in Saskatchewan. At present, between 15 per cent and 20 per cent of the population of Regina consists of Indian and native people. Many of them are unemployed, many of them are on welfare, and many of them are young, without jobs, skills or trades. This bill will discriminate against them, making it difficult for them to enter the labour force and learn a trade or skill. That shortcoming of the act could lead to all kinds of social problems and crime.

The unemployed want to work; they want to occupy their time. As it is, crime rates per capita in Regina are among the highest in this country, which shows you how serious this problem is. The people of the area want jobs. They do not want hand-outs, welfare or unemployment insurance benefits. They want jobs and opportunities, but they will not get them unless this government changes its policies and makes it possible for all people to work. I wish the minister would reconsider some regulations which discriminate against people living in rural and outlying parts. Ever since I was first elected to this House I have been concerned about people who live in rural or outlying regions and are cut off from unemployment insurance because, according to the government's computer, or in the opinion of bureaucrats, they have not been searching for a job as vigorously as they should.

Our bureaucrats apparently penalize the man who says, "I cannot drive 30 or 40 miles each way to work," and the housewife who says, "I don't drive. Anyway, we do not have a second car and I cannot go to work in the city 30 or 40 miles away." I remember one specific case. A person in Langenburg was cut off because she said she could not drive 50 miles every day to a job in Yorkton. Surely, cutting people off for such reasons is entirely unreasonable. How can you say they abuse the system and therefore should not qualify for UIC? These people want to work and will do everything reasonable in order to find a job. But because they live in some remote town or village, or on the farm, and because the nearest job may happen to be inaccessible in the city many miles away, they are cut off.

The person living in the city can hop on the bus, and search for a job much more easily. A man looking for work in Regina is looking for it in a community of about 165,000 people, and if he refuses a job perhaps there is a case for cutting him off UIC benefits. But it is not fair to apply the same standard to a person who lives in, say, in Esterhazy, Kamsack or Kenora and is told that the nearest job is in the big city many miles away. Because officials insist on applying the regulations so strictly they turn some of the unemployed into liars. People have come to me and said, "If I had told the truth I would have been cut off, so I lied." They say to me, "You are cut off UIC if you are honest. I got my UIC benefit because I lied." Such people take a chance, but they obtain UIC benefits. If they are honest and say no, they cannot do that, they are cut off. I have referred many cases of that sort to the minister's office year in and year out, where rural people have been put in the position of choosing between being honest and being a liar. They have to make that choice. Most people choose to be honest, tell the truth and lose UIC benefits that would rightfully be theirs if they were not living in a rural area, on a farm or in a small community.

• (1130)

This is the type of act the minister perpetuates. This is the type of act he refuses to amend in a positive sense so that rural people are not discriminated against. I have spoken to members of all parties in the House and they have expressed similar problems with people in rural areas trying to find a job. I almost dread some of my office hour tours. Two, three or four times a year I hold office hours in small towns and villages in my constituency. I go to places where there are only a few hundred people and set up an office in a town library or some other place to meet with the people. I advertise when I will be there.

I always dread it when someone comes to me with regard to an unemployment insurance problem. I know what it is. It is usually a rejection because the Unemployment Insurance Commission and the computer say that they are not available to work. They are told they are eliminating themselves in searching for a job and therefore do not qualify. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) knows what it is like to live in a place like Pelly or Churchbridge. There are not many jobs in small villages. If Joe Blow's wife is not able to go into Regina to look for a job, leaving her three or four little kids at home, she is cut off. However, if she lived in Regina, Toronto or Halifax she could qualify for a job or unemployment insurance.

Is the minister going to comment on that problem when he speaks? Is he going to move any amendments to make it more fair for the people who live in my constituency and in other parts of rural Canada? If not, he is going to perpetrate great unfairness and injustice in the Unemployment Insurance Act. It is a real problem. I have seen many people agonize over whether they should be honest with the Unemployment Insurance Commission.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue only with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Dionne (Northumberland-Miramichi): No.

Mr. Rodriguez: Who said no?

Mr. Dionne (Northumberland-Miramichi): I did.

Mr. Rodriguez: You should be ashamed of yourself.

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to address myself to motion No. 8 which includes clauses 29 and 30 of Bill C-27. Before doing so, I would like to make some general comments relevant to those two clauses. Bill C-27

symbolizes this government's total inability to deal with the country's most pressing problem, that of one million Canadians out of work. Instead of introducing measures to reduce the staggering number of unemployed persons, this government has turned its attention to cutting back the number now receiving unemployment insurance benefits. At a time when the government should be defending its legislation and protecting those who are jobless, we see measures which will place an added burden on those already out of work.

As the hon. member for Yorkton-Melville (Mr. Nystrom) said, most of us represent constituencies with a substantial number of rural people. They simply cannot accept a job, even if one is available, because of the problem of transportation. That is the major problem in the rural areas of Canada, not the other restrictive measures that were in the old bill. It is the distance and the cost of travelling back and forth to work. A physician, lawyer or other professional person can deduct the cost of transportation from his income tax. However, very seldom is there a working industrial agreement between a company and its employees whereby the employee who has to drive 25 or 30 miles to and from work every day receives a mileage expense. That is most unfair and only exacerbates the situation.

There are absolutely no logical arguments behind the amendments to the Unemployment Insurance Act which the Minister of Manpower and Immigration (Mr. Cullen) introduced last December. The minister claims that the proposals in Bill C-27 were made as a result not only of his department's so-called comprehensive review of the program but also as a result of a wide variety of studies carried out by other organizations and individuals. The comprehensive review which the Unemployment Insurance Commission published contains, among other things, what is claimed to be a profile of UI claimants. One of the objects of the profile was to provide the basis for discussion of the amendments in Bill C-27. Let us for a moment examine just how comprehensive the study was.

The profile of UI claimants was based on a sample of 8,521 records of separations from employment during January to June, 1974. The profile starts with a table showing that only 27.7 per cent of these separations were due to lay-off, whereas 41.3 per cent were voluntary quits. As a basis for changes to the UI Act, the profile is nothing but a fraud. As the minister knows full well, Canada was, in the first half of 1974, at the height of an economic boom. This is very cogent to this whole discussion. Unemployment then was 5.2 per cent, compared to nearly 8 per cent now. Furthermore, as the latest unemployment statistics bear out, January to June is the time of year when employment rises, when lay-offs are at a minimum and jobs easier to find.

Between the dates the review was carried out, January to June, employment in Canada increased by over one million. Unemployment went down by 76,000 in those months, and over 900,000 people who had been outside the labour force were drawn in and able to find jobs. We are going back to that time span between January and June of 1974 when there was still a tremendous upswing in the economy and a growing demand for jobs. Had the minister wanted a truly comprehensive report he should have ensured that the next six months be studied as well. During July to August, 1974, to January and February, 1975, employment fell by 833,000. Unemployment increased by 243,000, and 590,000 people who were in the labour force in July and August, 1974, had been forced out by the following January and February. So much for this comprehensive review study which makes no sense whatsoever. It is not at all relevant to the bill we are discussing. It is outdated and archaic.

[Mr. Blackburn.]

The bill is based on a study done during a small time frame when the country was still in a reasonably good economic situation. Employment was high and the demand for jobs was high. To base it on that limited time-span with those limited numbers on the unemployment lists is somewhat of a fraud to perpetrate in this House and push down the throats of members on this side. I suggest, Mr. Speaker, that the authors of the study were either totally ignorant of how to compile an unbiased report, or they deliberately chose those months so that the minister could stand in the House last December and claim that the amendments to the UI Act were warranted because of comprehensive studies which were undertaken by his department. He was out by about two years.

Probably the latter was in fact the case, from which I can conclude that the minister was misleading the House with erroneous and biased information. The review also dealt with what it calls the "post-claim behaviour of exhaustees observed from April to October 1973". This is based on a special survey of 2,649 individuals who exhausted their claims in April 1973. The survey found that 63 per cent of exhaustees were able to find work within an average period of six weeks. I loathe that word "exhaustees", Mr. Speaker. Are we not dealing with human beings? Here, again, April of 1973 was a convenient year to pick. Canada was then in the upswing cycle of the boom and unemployment was much lower than it is now. As Lukin Robinson, a Toronto economist, pointed out, the 1973 survey—

● (1140)

—is an irrelevant and wholly unjustified basis for the UI Commission's current punitive policy of disqualifying as many people as they can from benefits, and if the UI Commission and the government do not know this, they can hardly expect others to be blind to the drastic difference between conditions now and in 1973.

As I said earlier, Mr. Speaker, the Minister of Manpower and Immigration has yet to put forward any logical arguments for introducing certain amendments to the UI Act. The minister, in proposing a variable entrance requirement of ten to 14 weeks, has never made it clear why he felt this was necessary, aside from the fact that a minimum of 226,000 individuals would be disqualified if the amendment were to pass. I say minimum, Mr. Speaker, because the figure of 226,000 assumes that 50 per cent of those who would have worked only eight to 13 weeks will be able to get longer work. This assumption appears to be based on the "comprehensive" study to which I have already made reference. The only logical reason for this move, in my mind, is that the variable entrance requirement

will help pay for benefits in Quebec and the Atlantic provinces.

It appears, Mr. Speaker, that this amendment to Bill C-27 reflects the government's continuing policy of placing restrictive measures against the unemployed, instead of pursuing economic measures to create long-term jobs. The unemployed of this country are being used as scapegoats by a government that does not have the guts to deal with our economic problems. Increasing the entry requirement will do little, except to satisfy those in this country who feel that the eight to 11-weekers are bums or cheaters looking for a free ride. Obviously, many of these people who complain about the unemployment insurance system have never experienced unemployment.

An hon. Member: I don't like that phrase.

Mr. Blackburn: Which phrase is the hon. member referring to? I missed it.Most of the people who are searching for work are doing so sincerely. They are not lazy bums. I do not know which member complained about those words, but it has certainly been my experience in my constituency office, when adults come in and weep in front of me. I am not being dramatic when I say this; it is absolutely true. They tell me they keep going back to the same industry week after week until they are told by the personnel manager, "Look, we don't want to see you back here". But the UIC says they have to go back, they have to make a job search. And where are they? The first thing they know, they are cut off. I don't deny that some do abuse the system, but from my experience with countless hundreds of UI cases, the benefit control offices of the Unemployment Insurance Commission do more than an adequate job of ensuring that no one draws benefits when not entitled. Those who are on legitimate claim must go to great lengths to prove their availability, capability, and desire to work. If this is not done, they are automatically subject to disentitlement. In short, Mr. Speaker, it is not nearly as easy to get paid from unemployment insurance as most people think, unless of course the UIC is doing a sloppy job.

I have no doubt that in some cases they are doing a sloppy job. If somebody is drawing unemployment insurance illegally, that person should be charged. I have no objection to that whatever. But there are some people who think there is an unemployed bum under every bed in the nation, to paraphrase an expression which was once used with regard to communists. So, who is going to be most affected by the proposals to increase the entry requirements? I suggest it will be the low income, seasonal or part-time workers who must rely on temporary jobs because there simply are no full-time jobs to be had in the areas where they live. Members from the Atlantic provinces have said in the past that seasonal, short-term and part-time work is a way of life for many. Yet even in our industrial heartland there are relatively few jobs to be had.

In my own constituency of Brant, the latest figure I have from Canada Manpower is that 5,911 persons were unemployed at the end of May, less than a month ago. At the same time, the local Manpower office has a total of 266 jobs available, including both part-time and full-time. So there are 5,911 persons chasing 266 jobs in an area of Canada which is supposed to be highly industrialized, with a great demand for workers. I do not know how the Prime Minister (Mr. Trudeau) will sell his arguments in that area when he campaigns there in a few months.

Mr. Symes: Do you know something we don't know?

Mr. Blackburn: I will tell the hon. member later. Given that kind of ratio, it is obvious there are a lot of disgruntled people in an area which has a high standard of living and a high standard of job availability. The variable entrance requirement is another measure which erodes the original universal nature of the UIC program. There is no doubt that should this amendment pass, it will lead to instances where if two men employed in the same industry are hit by industry-wide layoffs, one may qualify for benefits while the other is denied any. I am speaking now of the geographic problem to which the hon. member for Yorkton-Melville referred a few minutes ago.

The New Democratic Party strongly opposes, on behalf of the unemployed of this country—those who are legitimately unemployed; we have no brief for those who try to rip off the system—any increase whatever in the minimum number of weeks to qualify for unemployment insurance benefits. The qualifying period can be altered and probably should be altered from time to time. I am not saying that the minimum qualifying period should be a hard and fast requirement continuing decade after decade, but I am suggesting that during very bad economic times, when hundreds of thousands of Canadians are suffering, as they are today, the eight-week qualifying period should remain as it is. If, in three or four years' time, unemployment decreases considerably, we could take a second look at the qualifying period and extend it to 12 weeks or 14 weeks, whatever is reasonable having regard to the state of the economy.

As far as regional distinctions are concerned, I am not sure what the minister means by "regions". I do not know what the distinction is under the act. If you were to take Atlantic Canada as a region, it would be totally unfair because Cape Breton Island, for example, has a much higher unemployment rate than other parts of Nova Scotia or parts of New Brunswick. Even if you take Nova Scotia as a region, I would point out there is very little relationship between unemployment in the Halifax area and on Cape Breton Island. I wish the minister would explain just how he would set up regions in relation to the qualifying period. As a matter of fact, one could almost establish separate regions in the larger metropolitan cities. If a person lives in east Toronto and cannot get work there and has to go to west Toronto, he has to travel 17 to 20 miles. This regionalism is something which has to be more clearly defined before we vote for or against this bill. Those are my brief remarks about clauses 29 and 30 which are encompassed under my name in motion No. 8. They also include motion No. 10 which is related to the qualifying period of eight or more weeks.

● (1150)

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): I should like to point out to hon. members the question is on motion No. 7 standing in the name of the hon. Minister of Manpower and Immigration (Mr. Cullen), which will dispose of motions Nos. 7, 9 and 22. The question should be put separately on motion No. 8 standing in the name of the hon. member for Brant (Mr. Blackburn), and if required a division on motion No. 8 will also dispose of motion No. 10. A separate vote will be required on motion No. 11 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. Alexander: Mr. Speaker, I just wanted to make one comment in respect of motion No. 11 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez). Further comments will have to be made with respect to the debate and the division of votes, but we are ready for the question.

The Acting Speaker (Mr. Turner): The question is on motion No. 7. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

the Acting Speaker (Mr. Turner): In my opinion the yeas have it.

And more than five members having risen:

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

The question now is on motion No. 8. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

[Mr. Blackburn.]

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred. The House will now move to motions Nos. 11 and 15.

Mr. John Rodriguez (Nickel Belt) moved:

Motion No. 11.

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be amended in clause 33 by striking out line 34 at page 14 and substituting the following therefor:

"(*c*) fifty-one weeks of benefit have been paid".

Hon. Bud Cullen (Minister of Manpower and Immigration) moved:

Motion No. 15.

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41

(*a*) by striking out lines 3 to 6 at page 19 and substituting the following therefor:

"under sections 22 and 34, and the regional rate of unemployment, that applies to him in the last week for which benefits";

(*b*) by striking out line 19 at page 19 and substituting the following therefor:

"(*b*) ending, subject to subsection (3),";

(*c*) by adding immediately after line 24 at page 19 the following new subsection:

"(3) The commission may, with the approval of the governor in council, make regulations under which the period determined under subsection (2) may be adjusted if the regional rate of unemployment that applies to the claimant varies during that period.";

(*d*) by renumbering subsection (3) at page 19 as subsection (4).

The Acting Speaker (Mr. Turner): Is the House ready for the question? The hon. member for Nickel Belt (Mr. Rodriguez).

Mr. Rodriguez: Mr. Speaker, this group of amendments which the minister has put forward is designed to vary the length of time—

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Hamilton West (Mr. Alexander) on a point of order.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I am starting to become a little confused, but of course hon. members will say there is nothing unusual about that.

An hon. Member: Right on.

Mr. Alexander: I figured my socialist friends would jump in once I gave them the opportunity. I am prepared to go along with the debate as long as we arrive at a conclusion later on as to what will be the voting in terms of the package. That is somewhat tricky because motion No. 11 is in the name of the hon. member for Nickel Belt (Mr. Rodriguez), motion No. 15 is in the name of the hon. minister, motion No. 29 is in the name of the hon. minister, motion No. 30 is in the name of the hon. member for Sault Ste. Marie (Mr. Symes), and motion No. 32 is in the name of the hon. minister.

I am not asking for a ruling at this particular time, but a little later we should indicate that the vote on motion No. 11 would include motion No. 30, and the vote on motion No. 15 would include motions Nos. 29 and 32. In other words, my suggestion is that we must have two votes in order to clear this up. I am not asking for a ruling at this particular time; I am merely trying to get some indication of what is going on around here. The parliamentary secretary is smiling and nodding, so I think he understands, as he usually does.

An hon. Member: The odd couple.

Mr. Alexander: I hear the hon. member say something but, as always, it was unintelligible. If he would care to stand up and help me out, I should appreciate it. I am not asking for a ruling at this time. That is the point I want to make.

The Acting Speaker (Mr. Turner): As was stated before, motion No. 11 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez) will require a separate vote. A separate vote will be held on motion No. 15, which will dispose of motions Nos. 15, 29, 30 and 32. The hon. member for Nickel Belt (Mr. Rodriguez).

Mr. John Rodriguez (Nickel Belt): It seems to me that is what we all understood when Your Honour made an announcement earlier this morning. I suppose some of us are sleepy after last night. As I was saying, the effect of the minister's amendments in motion No. 15 and the other motions standing in his name will be to vary the length of time which claimants will have to be in the work force in order to collect benefits.

At the outset, with respect to Bill C-27, we said the Unemployment Insurance Commission thrust upon the minister this idea of changing the entrance requirements to collect benefits under the Unemployment Insurance Act and to vary the length of time in which a claimant would be able to collect benefits. It seems to us those are most inappropriate steps to take at this time when unemployment in this country has been running at 8 per cent. If one looks at the figures, one finds that we have had a consistently high rate of unemployment in Canada, compared with other technologically developed countries in the western world.

• (1200)

We have superimposed, at this time, changes in the Unemployment Insurance Act which were based on a study entitled "The Comprehensive Review of the Unemployment Insurance Program in Canada". The minister's bureaucrats were quite proud of it and they insistently thrust upon the committee the fact that they had the basis for these decisions and recommendations, that they had the facts. Indeed, this replaced the Bible; it became the "word as revealed". But when we looked at it we found it was a review done by the department itself. I have been in education long enough, some 16 years—

Mr. Friesen: Does it show?

Mr. Rodriguez: I hope that the little bit of honesty which I learned in the classrooms and in administering a school comes through in the House, rather than the phony-baloney of hon. members to my right and those who sit across the aisle who really belong to the same club.

An hon. Member: The Rideau Club?

Mr. Rodriguez: No, the parliamentary club. One of the things I have learned, in terms of evaluating educational goals, is that one of the no-no's is never to ask educators to evaluate whether they have achieved their goals, because invariably they will tell you they always achieve their goals. Any evaluation should be done by an independent body, apart and aside from the very people who are given the responsibility for drafting legislation and making recommendations to the minister responsible with respect to the act which they will eventually administer. That seems to be the wrong way around.

I tell members of the House quite frankly that this comprehensive review was done in 1973-74, a period when the unemployment rate in Canada was much lower than it is now. We are experiencing approximately 8 per cent unemployment in this country. Do not forget that 8 per cent now is calculated according to the latest method that StatsCanada brought in some months ago. Back in January, StatsCanada changed its method of calculating the rate of unemployment and magnificently cut Newfoundland's rate in half overnight solely as a result of the way they calculated it. The period 1973-74 was prior to the StatsCanada changes.

An hon. Member: You haven't got your facts right.

Mr. Rodriguez: The hon. member comes from an area in New Brunswick where the unemployment rate is atrociously high, but he sits here making smart-assed remarks.

Mr. Dionne (Northumberland-Miramichi): All you do is filibuster.

Mr. Rodriguez: Mr. Speaker, we did not hear the hon. member in committee. In the committee he was silent as the dodo, as silent and as extinct as the dodo. He had nothing to say about a piece of legislation that adversely affects his part of the country.

Mr. Nystrom: Disgusting.

Mr. Rodriguez: I wish he would get up in the House and make a speech with respect to this bill.

Mr. Dionne (Northumberland-Miramichi): You speak too much.

Mr. Rodriguez: It is a shameful performance on the part of the hon. member, to sit in the back benches and make his snarky remarks. He is doing a disservice to his constituents.

Mr. Dionne (Northumberland-Miramichi): Let my constituents decide that.

Mr. Rodriguez: I will not, Mr. Speaker. I will not let the hon. member across the way make his snarky remarks without being identified. I think he deserves to be identified. The study was done in 1973-74 when the unemployment rate, comparatively speaking, was much much lower than it is today. Furthermore, when we asked in committee how the officials went about compiling their information, "Oh" said the deputy minister, "Oh, oh" said the deputy deputy minister, "Oh, oh, oh" said the deputy deputy deputy minister, and "Oh, oh, oh, oh" said the deputy deputy deputy deputy minister. They said, "Mr. Rodriguez, we have the in-house study, we have the outhouse study, we have the round-house study, we have the back-house study, we have the narrative reports, and we have the personal interviews".

An hon. Member: You are a shame to the House.

Mr. Rodriguez: We found out that some of those in-house studies and narrative reports came to some fascinating conclusions. For example, they told us there should be no trouble in Atlantic Canada for any person who wants to find eight weeks of work, no problem at all. Just listen to them say it. They say there are jobs that are scattered all the way from northern New Brunswick, the area of the hon. member across the way who has been throwing in his cheap little remarks—

Mr. Dionne (Northumberland-Miramichi): You are the expert on cheap remarks.

Mr. Rodriguez: —up to Newfoundland. They say there are jobs floating around and that, with perhaps a few exceptions, there is no reason in the world why people could not find work. It was as if I were meeting with the St. John's board of trade all over again. So far as they were concerned, if you did away with the Unemployment Insurance Act they could get work for all those people in Newfoundland. For example, studies done by the Canada Manpower centres showed instances of potential claimants quitting their jobs at the peak of the season so as to qualify with the highest average insured earnings possible.

In addition, these Manpower centre studies said there are indications that a number of workers arrange to be laid off once qualified for UI benefits so that someone else may obtain eight weeks of insured employment. I made the comment the other day that these people discovered shared work long before the minister ever thought of putting it into effect. I suggest that members get hold of a copy of "Employment Patterns in the Atlantic Provinces". I intend to send a copy to every provincial member in the Atlantic region and in Newfoundland to show them what Manpower centres think is going on in the maritime provinces. This is a shameful document, shameful in all the insinuations and innuendoes it makes about the work force in Atlantic Canada. I do not see the hon. member across the way standing on his hands and demanding clarification of these statements.

Mr. Dionne (Northumberland-Miramichi): You are the only one who stands on his hands when he wants to speak.

Mr. Rodriguez: The one conclusion I come to is that the people who designed these studies and who spoke about them in committee have never been unemployed in their lives. They sit there with their $60,000 a year jobs and pontificate on the attitudes of the unfortunate Canadians who want to work and cannot find work in some parts of this country. We see a shameful display by the government when it uses the unemployed as scapegoats and as red herrings, as the former minister of manpower and immigration said. This is a red herring to try to distract people from realizing that this government has failed to deal decisively with unemployment. It is absolutely disgraceful that the minister can stand up in British Columbia and say to the Canadian people that they can look forward to high unemployment and high food prices for the next few years. Since when have admissions of failure become responses to the problems faced by this nation? This is the kind of travesty that is perpetrated by this government, and then it asks members of my party and parliament to participate in this hoax on the Canadian people.

● (1210)

Hon. colleagues to my right have fallen for this, stepped right in and broken their wrists patting themselves on the back, and taken credit for the stiffer requirements and the reduction of the benefit period. They say they have been pushing the government on this since 1971 and that if the government had listened, we would not be in the mess we are in today. Instead of tightening up the Unemployment Insurance Act, I think we should come up with more positive suggestions on creating employment so that every Canadian who wants to work can get a job. We cannot blame the official opposition for not creating jobs, because it has not been sitting on the government benches for years. The government which is proud to tell us that it has been the government for years has the divine power to rule, but I wish it would start using that power so we would not have one million people unemployed. That is the figure given to us by Statistics Canada, but that is not the hidden unemployment figure. When the task force of my party visited Atlantic Canada to discuss unemployment, we discovered that the real unemployment rate in Atlantic Canada is 15 per cent or 20 per cent higher than the figure given by Statistics Canada.

The government proposes to superimpose on the country some 54 regions. After many years, the government has suddenly discovered that there are regional differences in Canada. It took three weeks from the time it tabled Bill C-27 before government backbenchers started flapping and getting on the minister's back. Suddenly, the minister rushed in with a hastily contrived regional approach to unemployment insurance. If it

was a well thought-out and valid plan, why was it not introduced originally? According to the hon. member for Hamilton West (Mr. Alexander), he has always been telling the government to look for a regional approach. Suddenly, the government came into the committee hot and sweaty, and the minister made his big announcement. He rushed to the cameras saying that the government had discovered regional disparities and that it was implementing a program to take into account the differences in the regions.

Mr. Alexander: Don't take my name in vain.

Mr. Rodriguez: I am not taking the name of the hon. member for Hamilton West in vain. If I did, I would expect thunder to clap and lightning to strike around this building, and I would be struck.

Mr. Paproski: Stick to your script, Rodriguez.

Mr. Rodriguez: The hon. member tells me to stick to my script. Well, what has the government done? It now says there will be 54 regions. In each region the unemployment rate, which is defined in this amendment, will determine the number of weeks a claimant will collect benefits.

An hon. Member: Hear, hear!

Mr. Rodriguez: How stupid. The hon. member is flapping his wings. He thinks that is great stuff.

Mr. Nystrom: He was flapping his flippers.

Mr. Rodriguez: Well, throw him a fish. Let me inform the minister and his nabobs, because obviously they did not think this thing through, that this is a very unbalanced program. It was just dashed together. The riding of Nickel Belt is about 150 miles north to south, and another 200 miles—

Mr. Friesen: We will take it next time.

Mr. Rodriguez: The Tories are deader than a dodo in Nickel Belt. Nickel Belt comes into region No. 21, but region No. 21 stretches all the way to Wawa. It includes Blind River, all of Nickel Belt and it goes over to Mattawa. The community of Killarney is 52 miles from the large industrial centre, Sudbury, where unemployment is low, but at certain times of the year the unemployment rate in Killarney is 60 per cent. However, when we consider the total over-all region, we find that we are brought down to the minimum number of weeks in terms of collecting benefits.

Because of the geographical nature of our country, we find that within regions there are pockets of unemployment which exceed national levels and which far exceed the regional levels which have been set by the minister for the number of weeks a person can collect benefits. I am sorry the hon. member for Algoma (Mr. Foster) is not here with us today. Blind River suffers gravely and seriously because of unemployment. The rate of unemployment in Blind River is easily over 20 per cent. Also, one only has to consider the LIP grants and the Canada Works grants which have floated into that community, to realize the seriousness of the problem. The people there have been finagled by the Shouldices of Ontario and of this country. The shysters took every DREE grant and every Ontario Development Corporation grant they could get, and then pulled out and left the people without employment. They will be included in a particular region even though parts of that region may be suffering high unemployment. That is one of the fallacies of the amendments the minister has proposed. His amendments tamper with the present act which was incorporated in 1971.

I want to reiterate what the hon. member for Brant (Mr. Blackburn) has said. We do not support unemployment insurance fund rip-offs. We have always supported a full employment approach in this country. We have always said that there ought to be jobs for those who want to work. Those who are incapable of working because of mental or physical disabilities should have programs which can look after them. The government is responsible for the economic health of the country, but we find that nothing positive or constructive is being done. We are told consistently by this government that we must wait for the cavalry bugles from south of the border before our economy will improve. The government must accept responsibility for the lack of action which has caused high unemployment in this country. Instead, all it does is tamper with the act.

As the hon. member for Brant said, we do not think the length of time a person can collect is carved in stone. We do not think the present period is appropriate. There are very few times that I find myself in agreement with the Canadian Mining Association, given the nature of my riding and our experience with that association. However, the Canadian Mining Association has said this is not the time to be tampering with the Unemployment Insurance Act with respect to the number of weeks of attachment, nor with respect to the length of time a person can collect benefits. That association says the attention of the government ought to be focused on the creation of employment opportunities, and only then should the government make the changes to the act which it thinks are necessary.

The Economic Council of Canada had this to say about the unemployment insurance program:

> We believe that most Canadians affected by unemployment are well served by the unemployment insurance system and use it honestly . . . It would of course be possible to try to eliminate abuses by cutting certain categories of claimants or the duration of benefits or by extending the period of work before claimants could become eligible for benefits. But such recommendations could prove harmful to persons most exposed to periodic and genuinely by involuntary unemployment.

● (1220)

What did the bureaucrats at the Unemployment Insurance Commission do then? They waved them all aside, making them disappear with their in-house, outhouse, around the house, back-house studies. That is what they did with their own interviews and cheap counterfeit reports like the one called "Employment Patterns in the Atlantic Provinces." I suppose the information was obtained by telephone in the way benefit control officers obtain information on claimants by

telephone which results in a decision by an insurance officer to cut off benefits.

I see the hon. member for Parry Sound has come into the House. He should join with me in this because for purposes of unemployment insurance benefits his riding will become part of region 21. I am sure he will have something to say.

An hon. Member: Don't hold your breath.

Mr. Rodriguez: Considering where he sits in the House, I will not. One of the facts we were able to obtain from the bureaucrats was that the average number of weeks of unemployment insurance benefits collected last year was 17. Looking at the provincial breakdown, we find a high correlation between those parts of Canada that are consistently plagued by high unemployment. In other words, that average tends to be exceeded in Newfoundland, Atlantic Canada and parts of Quebec where we know already there are regional disparities and high unemployment. In effect, what the Economic Council of Canada said is backed up by statistical information based on those who collected benefits last year in the parts of Canada where records were kept. It seems to me the Economic Council of Canada has said that now is not the time to tamper with the Unemployment Insurance Act as it relates to participation time and the length of time benefits can be collected.

I have suggested a way in which the minister can properly administer the act to ensure that where people are ripping it off, proper controls can be imposed. We suggested that if certain groups were suspected of this, computers could be used to segregate them and subject them to benefit control. People could be referred to jobs. If a Manpower centre maintains that jobs are available in Atlantic Canada, then it should refer people to those jobs, and if they do not take them they should be cut off benefits. Surely, that is the message that comes out of this piece of garbage that was put before members of the committee. Surely, if jobs are available, people should be referred to them.

Now we are putting Humpty-Dumpty together again by putting UIC and Manpower together. It is claimed they had been working closely together before. But why did Manpower officers not refer the unemployed to jobs? If they refuse the jobs, then a report could be made, an investigation launched and a decision made with respect to benefits. But to say there are lots of jobs in Atlantic Canada, and that there is no reason why people cannot get eight weeks of work there, is irresponsible. I can see the picture—two groups of bureaucrats fighting for the minister's head and ear. If we were in Spain, they would get something else as well.

We have pointed out how these proposals will drastically affect parts of Canada where it is difficult to get employment. For example, at the moment, if a worker is on major attachment he must put in 20 weeks or more of work. Then after the twenty-first week there is a two-week waiting period before benefits start. This is to be changed and benefits will be paid after the twenty-sixth week and there will be one week of benefits for every week of work. Twenty weeks' work will produce 20 weeks of benefits. But if a worker qualifies in terms of the national rate, he can draw benefits beyond that period, and after that may be transferred horizontally to the welfare program.

This is going to be discriminatory legislation, Mr. Speaker. I have had a great deal of experience with the unemployment insurance office in my riding and have discovered that those who honestly try to administer the act have difficulty because it is so complicated. Imagine what it will be like when 54 regions are imposed and the phasing-in period begins. I recall when the new act came into effect in 1971. By 1972 my office was handling 30 to 50 cases every day. We sent hundreds of cases to the central office for resolution of local administrative problems. The local officers were not at fault, because the act calls for many subjective decisions and there are no clear guidelines.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member as his allotted time has expired. Is there consent for him to continue?

Some hon. Members: No.

Mr. Cullen: Mr. Speaker, I rise on a point of order. I do not know whether the hon. member for Hamilton West (Mr. Alexander) received an answer to his question, but there has been some discussion and I believe there is general agreement that a vote on motion No. 15 would deal with motions Nos. 15, 29 and 32, and a vote on motion No. 11 would deal with No. 30 as well.

Mr. Deputy Speaker: Is it agreed?

Mr. Alexander: That is agreeable to us, Mr. Speaker.

Mr. Deputy Speaker: It is understood and accepted by all hon. members that a vote on motion No. 11 would also dispose of motion No. 30, and a vote on motion No. 15 would also dispose of motions Nos. 20 and 32. Is it agreed?

Some hon. Members: Agreed.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I should like to express to the minister my dismay at the approach he is taking to reduce the number of benefits payable under the unemployment insurance scheme. I always find it difficult to understand why the department advances the theory that if we reduce payable benefits the unemployed somehow will be encouraged to seek work. Would it not be more logical, considering this country's high unemployment levels, levels which persist in Atlantic Canada, Quebec, parts of northern Ontario and elsewhere year after year, to determine first if the jobs are actually available? We should do this first before arguing that you need to tighten the unemployment insurance scheme, reduce benefits and thus give people greater incentive to look for work.

• (1230)

No matter how much you tighten the unemployment insurance plan, if the jobs are not there, people cannot work. I

cannot fathom the reasoning behind these amendments which on the face of it are based on the assumption that jobs are available but people are not looking for them. In this country today one million are unemployed. If you include those not included in our official statistics, the figure is closer to 1.5 million. And how many job vacancies do we have in this country? According to the last figures, about 58,000. Therefore, we have one million unemployed and not quite 60,000 job vacancies.

More often than not, existing job vacancies are not available in the areas of highest unemployment. Consequently, the man who lives in Newfoundland, say, is told that because no jobs are available in Newfoundland he should move to Toronto or some other area where jobs are available. The Department of Manpower provides a mobility grant for helping people to move. When you ask a man to move, you ask him to make an onerous decision. He must decide, if he cannot find a job in Newfoundland and does not want to be disqualified from unemployment insurance benefits, to uproot his family, sell his house, if he has one, and move to Toronto or some other large centre for a job for which he may be qualified.

Let us say he does that. What could happen to him? Sure, he can find a job in Toronto or some large centre where there are more opportunities for employment. It could last a few months. The ebb and flow of the economic cycle creates fluctuations in employment levels even in our major centres, and the man who moves may find that because he was the last to join the plant or firm, he is the first to be laid off. He has given up his house in Newfoundland, probably mortgaged himself to the hilt to acquire accommodation in Toronto, and after working a few months finds himself laid off. I say this by way of illustrating that it is totally impractical to suggest that because there are some 60,000 job vacancies in Canada people should move from one end of the country to the other to fill them. The risks are too great.

The majority of people on unemployment insurance do not have long job experience, job skills or a high level of education. Many of them do seasonal work or unskilled work. Their ability to compete on the labour market is severely restricted. Even if they have the wherewithal to move to areas with job vacancies, because they are inadequately educated and trained the cards are stacked against them when they try to compete for jobs. The minister's proposal for tightening the unemployment insurance scheme, his proposal for reducing the benefits paid, will not, I predict, lead in any measurable way to the filling of existing job vacancies in this country. If we could by some magic fill the 60,000-odd job vacancies, we would still be left with more than one million unemployed. Surely, the minister's approach is wrong.

No doubt the minister will argue that if we cut back the number who qualify for unemployment insurance, we will release money for job-creation programs and for training the unemployed in skills which will enable them to find jobs. There is no logic to that argument. The amendments we are considering will deprive at least 100,000 unemployed of between one and 12 weeks of benefits, and the minister calls this a saving. In other words, the money which will not be paid to the unemployed will be used to create jobs for those same unemployed and many hundred thousand other unemployed. That is muddled thinking. We cannot save money by taking it out of unemployment insurance and using it for some kind of job training program.

I suggest there will be little relationship between the amount of money saved and the job training programs the government will bring forward. Indeed, one wonders what will happen to those individuals who will no longer be eligible for unemployment insurance benefits. What would have happened if some of this bill's provisions had been implemented last year? If some 300,000 people had been cut off unemployment insurance benefits, the government would have saved probably between $150,000 and $250,000. In other words, it would have deprived the unemployed of around $200,000 in benefits and used the money paid to create jobs for other unemployed. It is like taking one step forward and two back.

It is nothing but a lot of administrative gobbledygook which will not solve the problem, but which makes it look as if the government is doing something constructive. In other words, the government is reacting to the arguments of editorial writers and others who perpetuate the myth that there are hundreds of thousands of jobs out there if only the people would take them, and that the unemployment insurance scheme stops people taking those jobs or discourages them from working. The reality is the opposite; cutting more people off unemployment insurance will be a false saving. It will not work. There is something else I have to keep repeating. The minister will not argue the point; I do not think he has an argument. However, it is important that it be on the record and that the public understand.

● (1240)

The minister has been advancing the phony argument that the reason behind these amendments is that those who will be disqualified will be mostly young people and women who are not serious job-seekers. They are only there to gain a supplemental income; they can still rely on the head of the family to keep body and soul together; their kind of work is not that essential to the economy, and therefore if they become unemployed they should not be allowed to collect unemployment insurance. Let us again look at the statistics. I use the government's own sources. In June last year, a month when many students were on the job market looking for jobs, and unemployed in large numbers, we find that only 12.5 per cent of unemployment insurance recipients were young people under 20 years of age.

The myth that somehow the large proportion of unemployment insurance benefits is going to youngsters who are not really serious about working for any length of time, merely wanting to work a bit to qualify for unemployment insurance benefits and representing a huge percentage of the drain on the unemployment insurance fund, is false. The other argument the minister keeps making is that a great proportion of recipients are women who really do not need the second job

and, therefore, really should not qualify for benefits if they become unemployed. According to last year's figures, 41.7 per cent of recipients of unemployment insurance were adult women, and 45.8 per cent were adult men. When we look at the women who were receiving benefits, we see that the argument that they do not need these benefits is false.

In August of last year, Statistics Canada published a study of unemployment in 1973 and 1971. They found that in both years unemployed wives tended to come from families with low incomes. In other words, the wife had to go to work in order that the family could meet its mortgage or rent payments and pay for such items as fuel which has escalated in cost dramatically over the past few years. I understand that the Minister of Energy, Mines and Resources (Mr. Gillespie) will today announce another $2 a barrel increase in the price of fuel oil to be phased-in on July 1 and January 1. This will mean anywhere from $25 to $50 will be added to fuel bills over the next few winters.

It is predicted that the cost of food will go up, and that general inflation will continue to rise. Is it any wonder that many wives have to go out and work in order to pay for the essentials of life such as food, shelter and clothing? They are not frivolous attachments to the work force. They are not there just to earn a few extra bucks in order to buy a coloured TV or a snow machine. They are earning essential income for the family. To say they can be disposed of, that it is all right to cut them off unemployment insurance if they become unemployed, is a cruel and callous attitude on the part of the minister and the government toward the hundreds of thousands of dependants of those women and their spouses.

When we look at the statistics compiled by the government's own agency, we find that in 1973 the unemployment rate for all wives was 13.5 per cent, for those from families with incomes between $4,000 and $6,999, 21.4 per cent, and for those from families with incomes over $15,000 a year the unemployment rate was 8.6 per cent. This proves that unemployed wives who are collecting unemployment insurance come from low income families. They are trying to get work. It usually winds up that they get seasonal employment. They are laid off first because they do not have professional training. I am not speaking of those who are nurses, legal secretaries, and so on. I am speaking of the cleaning women in hotels and other establishments, clerks in department stores, and similar jobs. That is a very insecure kind of employment. These are the ones who are laid off and become unemployed. They are the ones who need the income for their families. However, they are the ones this minister wants to disqualify from receiving unemployment insurance benefits for a few weeks, based on the time they have worked.

In light of a worsening employment situation which the minister and the government are predicting, and increasing costs which economists are predicting, to pursue this line of action will create all kinds of hardship. It will come back to haunt this government. The government thinks it can run the next election campaign solely on the issue of national unity. I say now that they are in for a rude shock. If this bill and these amendments pass, it will disqualify more people and reduce their unemployment insurance benefits. Therefore, unemployment will hurt Canadians much more than it has over the past few years. This minister will be held responsible to all the Senator Daveys and others for contributing to a reduction in the number of Liberal members who come back to this House after the next election.

[Mr. Symes.]

The government advances the argument that they need to bring in these various amendments and cut back the benefits because the unemployment insurance fund is breaking the government. They say it is becoming so costly that they cannot fund it any more. Therefore, they have to reduce the number of people on the roles. Let us look at the figures to see whether that kind of argument holds up. In 1975, when unemployment stood at 7.1 per cent, the unemployment insurance account produced a surplus of $321 million after pay-outs of $3.1 billion in benefits. This year, of course, the government has reduced its share of the cost of unemployment insurance from 54 per cent to 38 per cent, thanks to Bill C-69.

We find that the government really will not be suffering. It announced it was suspending the anticipated increase in employee-employer premiums that was set to go into effect on January 1, 1977, with a saving of $250 million to contributors. What was the reason given for the suspension? It was that the money will not be needed, even though unemployment will be as high as it has been in previous times. They know that when they pass this legislation the benefits will be reduced. The reasoning of the government just boggles the mind. It fails to get down to the business of creating jobs. It finds it easier to tinker with the unemployment insurance system and hurt those least able to defend themselves, the unemployed workers in this country. I consider that to be a backward and disastrous move.

● (1250)

Mr. Derek Blackburn (Brant): I have only a few minutes left, Mr. Speaker, and I want to make a few brief comments. I hope the minister is listening. It seems to me that some of the most desperate people in the country today are those who have been laid off and are in their fifties or early sixties and may be physically disabled to some extent. I have in mind people who have worked for small companies which do not have sickness or accident benefit schemes or pre-retirement security measures.

Would the minister care to comment on the feasibility of placing such persons, male or female, in a special category within the act so they would not be subjected to the same harsh rules that are applicable to younger workers? I am speaking, now, of men and women who are beyond retraining because of their age, people who are marginally skilled, or unskilled. They may, for example, be suffering from high blood pressure or heart trouble and consequently could not pass a health test or fit into a group insurance plan even if jobs were available to them. Many of them have become welfare cases, which is extremely downgrading for them as individuals.

They have largely given up looking for work. Some of them suffer, for instance, from epilepsy.

When they are laid off, possibly after working 15 or 20 years in a factory, they find it extremely difficult to get new employment. The moment they mention they are epileptic, no work is available to them. These people, like the others I have mentioned, are usually in their fifties or early sixties. I hope the minister will undertake some kind of study as soon as possible to determine whether they cannot be placed in a separate category with respect to the qualifying period or the benefit period. Their position gives rise to some of the saddest stories members hear in their constituency offices Saturday after Saturday. Of course, when people are totally disabled, other avenues of assistance are available to them.

I am hoping we can bring some humanity back into the act by adopting constructive measures of the kind I have suggested. I trust the minister will make a comment, a response or, if necessary from his point of view, a rebuttal of what I have said, because it is important that in bad economic times such as these the plight of these forgotten people should be considered by the department and by the Unemployment Insurance Commission. At the present time they are being badly pushed around. I blame the Unemployment Insurance Commission. I do not know whether they are acting deliberately or not. In any event, the people to whom I have referred are finding things extremely difficult. They are sloughed off from unemployment insurance benefits after 20 weeks and then find they must resort to welfare.

I emphasize that they are not receiving compensation or other benefits from retirement or pre-retirement plans. Changes in the act along the lines I have put forward would make these people feel they are still part of the community and are not being neglected after working so many years and contributing to the fund. I hope the minister will take my suggestion seriously when he replies. May I call it one o'clock?

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE MINISTRY

ALLEGATION OF ATTEMPT TO DILUTE DOCTRINE OF MINISTERIAL RESPONSIBILITY—MOTION UNDER S.O. 43

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, under the provisions of Standing Order 43, I want to move a motion of urgent and pressing necessity arising from the revelation during parliamentary debate on the police break-in

at L'Agence de Presse Libre du Québec of a new and sinister concept of ministerial responsibility, which is in contradiction with most authorities on the subject of cabinet government and which may dangerously erode the operation of our parliamentary system as we know it. Therefore, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House deplores the attempt by this government to dilute the doctrine of ministerial responsibility, and calls upon the Prime Minister, at the earliest opportunity, to reaffirm the principle that ministers are responsible to this parliament for the actions of their subordinates.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to the provisions of Standing Order 43, presentation for debate of any such motion requires the unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SAINT-JEAN BAPTISTE DAY

CONGRATULATIONS TO FRENCH CANADIANS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43 which I genuinely believe will receive the unanimous support of the House.

[*Translation*]

Considering that a week before the festivities related to Confederation one of the founding cultures of the country celebrates its Saint-Jean Baptiste Day, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House wish a happy celebration to all French Canadians of the country.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, I already refused in the past to put such motions concerning congratulations or messages because I feel it is dangerous to encourage the presentation of such motions pursuant to Standing Order 43.

* * *

[*English*]

STATUTORY HOLIDAYS

REQUEST FOR EARLY PASSAGE OF BILL C-30—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In order to encourage the unity of our two founding cultures on this eve of the celebration of Saint-Jean Baptiste Day, I move, seconded by the hon. member for Davenport (Mr. Caccia):

Montreal Break-In

That this House recognize the desirability that Bill C-30, an act respecting certain holidays, complete all stages in both Houses of parliament during the course of next week so that all Canadians can celebrate with pride and joy our country's July 1 birthday as Canada Day.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. With regard to the message of congratulations or felicitation which was just proposed, this is a motion which relates to some legislative measure. On many occasions in the past, the attempts to use Standing Order 43 to congratulate or express good wishes to a particular group have been resisted by me, because it is not dangerous to encourage such motions or such messages but it is dangerous to encourage the use of Standing Order 43 for the expression of such messages. Therefore, frequently in the past I have failed to put those questions, whether they be in the form of congratulations to one particular community, one particular group in the country, a large group, an entire province or a very important segment of the population. I simply do not think we should follow the practice of making, by way of a motion under Standing Order 43, expressions of some sort of salutation. I do not think that is an urgent matter of pressing necessity as contained in the rules. In this instance the message goes on beyond that and it deals with legislative measures. Therefore, I will indicate that it can only be presented to the House with unanimous consent of the House. Is there unanimous consent?

● (1410)

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ROYAL CANADIAN MOUNTED POLICE

PROPOSED INQUIRY INTO BREAK-IN AT L'AGENCE DE PRESSE LIBRE—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I too rise under the provisions of Standing Order 43. My motion is prompted by the statement last night by the Minister of Supply and Services that he thinks there is a possibility that the Quebec inquiry by the Parti Quebecois government into the circumstances surrounding the break-in at L'Agence de Presse Libre might turn into a political endeavour. This statement appears to contrast with the Prime Minister's assurance to the House that the government of Quebec "would make very sure. . . that the facts are brought to light". In view of the obvious concern of the Minister of Supply and Services about which particular facts are brought to light, I move, seconded by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick):

That this House supports the establishment of a federal independent judicial inquiry into the APLQ affair and further directs that there be full government co-operation with the inquiry and, in addition, insists that the Minister of Supply and Services appear before the inquiry.

Mr. Speaker: The motion can be presented to the House only with unanimous consent. Is there unanimous consent?

[Mr. Herbert.]

Some hon. Members: Agreed.

Some hon. Members: No.

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DOMINION DAY

PROPOSALS FOR FUTURE CELEBRATIONS—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I raise my question under Standing Order 43 on a matter of pressing and urgent necessity. Considering the extreme haste with which preparations for the Dominion Day party must proceed because of the last minute decision to hold one at all, and because of the great expense of advertising necessary to resuscitate an event that only last year was allowed to lapse, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That this House go on record as favouring an annual celebration on July 1, but that at least 50 per cent of the total annual budget allotted the event in future be distributed to those communities across the country which are also celebrating the event, and that the percentage of the budget to be allotted to television advertising be not more than half of one per cent.

Mr. Speaker: The presentation pursuant to Standing Order 43 of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Oral question period.

Mr. Diefenbaker: Mr. Speaker—

Some hon. Members: Order.

Mr. Diefenbaker: I have a motion under Standing Order 43—

Some hon. Members: Order.

Mr. Speaker: Order, please. The right hon. member for Prince Albert rises to indicate that it was his intention to present a motion pursuant to Standing Order 43. I learned that only at the conclusion of the motion proposed by the hon. member for Okanagan-Kootenay at which time it was 2.15. Our Standing Orders clearly indicate that at 2.15 p.m., regardless of outstanding applications under Standing Order 43, the question period shall commence. I have no choice.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. I will hear the right hon. member at three o'clock.

ORAL QUESTION PERIOD

[*English*]

THE MINISTRY

REQUEST FOR STATEMENT OF POLICY ON MINISTERIAL RESPONSIBILITY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, without reflecting at all on the Chair, I would make a point that there would be a greater opportunity for more motions to be moved under Standing Order 43 before the expiry of time, if ministers were in their place at two o'clock.

Some hon. Members: Hear, hear!

Mr. Clark: My question is to the Acting Prime Minister, and it arises from statements made by the Prime Minister and other ministers this past week which indicate that this government does not accept the traditional concept of ministerial responsibility by which civil servants have a responsibility to execute cabinet policies and by which ministers have a responsibility in turn for the actions of their subordinates. Will the Acting Prime Minister give us an undertaking now that the Prime Minister will make a clear and comprehensive statement in this House in the very near future of the views of this government with respect to ministerial responsibility?

[*Translation*]

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, the government policy concerning ministerial responsibility is well known. It was often demonstrated in the House during discussions like those we had this week, and in all circumstances, we admit that ministers are responsible for their administration and, as I said, the House of Commons knows perfectly well the procedure adopted in the past.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—KNOWLEDGE OF POSSIBLE INVOLVEMENT OF ORGANIZATION IN AIRCRAFT HIJACKING

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, the concept of ministerial responsibility of this government is to blame its public servants for things that go wrong and to take every opportunity that is available to avoid knowing about matters which might cause embarrassment later on.

Some hon. Members: Hear, hear!

Mr. Clark: I want to deal now with one of the questions on which there has been a clear indication of ministerial irresponsibility, and that relates to the actions of a former solicitor general, now the Minister of Supply and Services. This question is directed to his successor, the present Solicitor General. In view of revelations this morning in the press to the effect that the RCMP break-in to the offices of L'Agence de Presse Libre du Québec was an anti-terrorist measure designed to avert a possible aircraft hijacking, can the Solicitor General tell the House if this was a reason for the raid, and can he also inform the House if this matter was brought to the attention of the former solicitor general, now the Minister of Supply and Services? The Minister of Supply and Services has claimed he had been briefed on several occasions prior to the break-in by the RCMP with respect to the activities of L'Agence de Presse Libre du Québec, and he stated also that his ministerial responsibilities included constant—and I emphasize constant—supervision of national security affairs.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I thank the Leader of the Opposition for his question. I must tell him, naturally, just as the then solicitor general told the House, that he was not aware of the police raid before it took place. The first part of the question concerns whether or not he had authorized the raid. The second part of the question seeks to establish whether the then solicitor general was aware of the activities or rather the police information concerning the possibility of terrorist activities. I already told the House very clearly during the question period last Friday that it goes without saying that from time to time the then solicitor general received information on possible terrorist activities in the Montreal area and, I presume, other parts of the country as well. It is also obvious, Mr. Speaker, on reading the file on that period, that members of the RCMP, and possibly two other police forces were involved, because, as some hon. members seem to forget, there was at that time a joint anti-terrorist team; only two years had elapsed since the October 1970 events. The members of that team, Mr. Speaker, according to the reports I have been given, felt there were indications that perhaps to commemorate the death—I should say the murder—of Pierre Laporte in 1970, other acts of terrorism could take place.

[*English*]

Mr. Clark: Mr. Speaker, I would like to try to solicit from the Solicitor General—and he might have to consult with his colleague, unless his colleague makes another statement on a question of privilege—whether the former solicitor general of Canada had been briefed regarding the possibility of people associated with the office of L'Agence de Presse Libre being involved in an aircraft hijacking, and whether there had been any suggestion to the then solicitor general prior to the break-in that there would be potential involvement by people in that agency with that kind of terrorist activity or with other kinds of terrorist activities.

[*Translation*]

Mr. Fox: Mr. Speaker, as the Leader of the Opposition has pointed out, of course I would have to go through each file with a fine tooth comb. Mr. Speaker, I think the only relevant question is not to know what the police said to the government at that time, but whether or not the minister or any members of the RCMP were aware of the raid and if they had authorized an investigation of an illegal nature. Mr. Speaker, we did answer repeatedly in the House that nobody at the ministerial

level, or at police headquarters in Ottawa, including the commanding officer of Division "C", were aware before the raid that the proposed operation was of an illegal nature. Needless to say, Mr. Speaker, as the then solicitor general pointed out, no authorization to proceed with an illegal investigation would have been granted. As for us, we believe that any police operations, whatever their purposes and whatever the reasons for them, should comply with the law. That is why, Mr. Speaker, in 1974 this government introduced in Parliament another bill on wiretapping which aimed precisely at obtaining additional control over police forces activities, on the criminal side where permission must now be secured to proceed with wiretapping, and also on the security service side where permission of the Solicitor General is now required under the law approved by Parliament.

• (1420)

[*English*]

Mr. Clark: A supplementary question. The question here is what the then Solicitor General knew before the raid that should have led him to ask questions of officers of the Royal Canadian Mounted Police that he did not ask. That is the question. Since the Minister of Supply and Services has affirmed in this House that he was briefed extensively on activities of groups relating to matters prior to the raid we want to know what he was briefed about. That speaks directly to the kind of questions a responsible minister would have asked of his officials. We want to know whether he was briefed prior to that raid and if it was suggested to him that there might have been terrorist activities including a possible hijacking or activities of that scope. Did he know of those things prior to the raid?

[*Translation*]

Mr. Fox: Mr. Speaker, I think that the relevant question is whether or not an illegal raid has taken place and who was aware of this raid. Mr. Speaker, the point the hon. Leader of the Opposition wants me to uphold and argue is that files concerning the security of the state should be disclosed to the public. I am not prepared to do that. The relevant question, Mr. Speaker, is to know whether or not the minister involved, the then solicitor general, had authorized in any way such an illegal raid, and I have already answered on this point, Mr. Speaker, throughout the statement I made in the House. As for the minister, he himself made a statement in the House, Mr. Speaker, and hon. members had the opportunity to question him during a long period, on Monday or Tuesday. If they did not take advantage of it, it was their right to do so.

Concerning the precise question of the Leader of the Opposition, as I said before, Mr. Speaker, it has been clearly established in the minister's statement as well as in his answers to the questions of opposition members in the House that he had never allowed any illegal raid; so, Mr. Speaker, the clear and strict rule of the government is never to allow any illegal practice by anybody.

[Mr. Fox.]

[*English*]

BREAK-IN AT PRAXIS CORPORATION AND BLACKLISTING OF PUBLIC SERVANTS—REASON FOR FAILURE TO IDENTIFY S. H. SCHULTZ

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is one that does deserve an answer from the Solicitor General and it is directed to him. It refers to a question I asked yesterday regarding an official in the Solicitor General's office who allegedly may have been involved in the EPO affair of 1971. The Solicitor General answered that he could not identify a person by the name of S. H. Schultz who would have been in the Solicitor General's office at that time. I have here page 253 of the official government phone book and that name appears under the heading of the deputy minister's office—

Mr. Speaker: Order, please. Does the hon. member have a supplementary question to put to the Solicitor General?

Mr. Oberle: I should like to ask why it would have been so difficult for the minister to identify this person who was an executive assistant to the deputy minister in 1974? Why would it have been so difficult to identify this man, and why did he give me an evasive answer yesterday?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I object strenuously to the type of language the hon. member is using. I had a letter delivered to his office this morning which gives full information on that question. But the hon. member wishes again to raise names in the House of Commons, to cast aspersions and make allegations against certain people. I never mentioned a name in this House, but said I was willing to investigate and see exactly if that individual was in the office of the Solicitor General. I have ascertained the information which the hon. member has asked of me. I had delivered to him today—perhaps it has not arrived yet, but I understand it was delivered to his office before the question period—information of that nature and, as I indicated in the letter I sent the hon. member, all this information has now been made available to the Attorney General of Ontario for his consideration and necessary action.

Mr. Oberle: Mr. Speaker, the minister admitted in the secret letter he sent me just before the question period—

Some hon. Members: Oh, oh!

Mr. Oberle: —that he indeed can read the telephone book and read this man's name in there. The question is, has he asked the senior official in his department as to his previous career and what his involvement was in 1971 with the EPO affair?

Mr. Fox: Mr. Speaker, personally, I think it is extraordinary that we should now put people on trial in the House of Commons on those allegations.

Mr. Baker (Grenville-Carleton): We need an inquiry.

Mr. Fox: Mr. Speaker, I went out of my way during the course of my answer yesterday not to divulge any names publicly, because accusations of this nature have a tendency to tarnish reputations.

Mr. Hnatyshyn: Tell Goyer that. Don't lecture us, tell Goyer.

Mr. Basford: Just listen to that party opposite which keeps yapping about the Bill of Rights.

Mr. Fairweather: What about Rudnicki?

Some hon. Members: Oh, oh!

Mr. Fox: Mr. Speaker, it seems that the opposition believes I should conduct an investigation in public on the floor of the House of Commons.

Mr. Hees: We want you to tell the truth.

Mr. Fox: Mr. Speaker, as you know, a number of allegations have been made by hon. members opposite in the past few months, many of which turned out to be completely unfounded. I am not going to bandy around the name of a dedicated Canadian who has spent a good part of his life in the service of his country, just to satisfy the prurient interest of the hon. member opposite.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Why don't you say that to Goyer?

Mr. Oberle: A final supplementary question, Mr. Speaker. The person whose name I just mentioned was preceded in his position by Inspector Cobb and Lieutenant Colonel Bourne, all of whom are seriously implicated in this whole affair. The minister has had this name for four days and has not even investigated or questioned his own official in this regard. We have word now from the RCMP that they are seeking themselves—

Some hon. Members: Oh, oh!

Mr. Oberle: —that they are seeking themselves or looking into—

Some hon. Members: Oh, oh!

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

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—INQUIRY CONDUCTED BY SUPERINTENDENT NOLAN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is also for the Solicitor General. Following the revelation last year by Corporal Robert Samson that the RCMP had taken part in the illegal break-in, the then Solicitor General on March 31 said in the House that an investigation into the break-in was under way. That was followed, on June 15, by the assurance given in the House by the then parliamentary secretary, who reported that the investigation into the break-in had been completed. Last Friday outside the House the present Solicitor General said this investigation had been undertaken by Superintendent Nolan. Could the minister confirm in the House what he said outside last week?

● (1430)

Hon. Francis Fox (Solicitor General): Mr. Speaker, I believe I said also in the House during the course of questions on Friday that the information I received from the force was that Superintendent Nolan was delegated by the Commissioner to conduct an investigation into the matter. Given the fact that Mr. Cobb was involved in the investigation, Superintendent Nolan saw him and asked him to prepare, as I understand it, a resumé of the operation.

Mr. Broadbent: According to a report in today's Vancouver *Sun* based on an interview with Chief Superintendent Cobb, Chief Superintendent Cobb now denies that an investigation ever took place. He says specifically that no investigation was made by him, by Superintendent Nolan or apparently by anyone else. I quote from what he says in today's paper:

> It was the press that indicated that an investigation was being made. In actual fact what I received was a request to report to the best of my knowledge what occurred.

The House has been left with the impression from the last year's statements made by a variety of Solicitors General and the Prime Minister that this matter was thoroughly investigated. We now have it from Mr. Cobb that there was no investigation. Indeed, we have his word that he, the person who authorized the raid in the first place, was asked to prepare a report on the raid. The person who authorized the raid has denied that there was an investigation. Will the minister clarify for the House whether an investigation was actually made at that time or simply a report prepared by the man who himself authorized the raid?

Mr. Fox: Mr. Speaker, no doubt the individual who authorized the raid was subsequently brought before the court, along with the other two officers of the other two police forces, and was asked for all the information he had in his possession concerning the raid. My understanding is that this was done at the request of the force and Superintendent Nolan was charged with that operation. I do not know whether the House wishes to call that an investigation or a question of terminology. I would think it is a question of terminology. The hon. member is overlooking the important fact that from that point on there was continued and full co-operation between the force and the attorney general of the province of Quebec, that the Commissioner of the force indicated he was meeting with the investigator of the Quebec attorney general's department to give him any information requested by the attorney general of the province of Quebec. To my mind, that is complete and full co-operation. At no point during the subsequent hearings has there been any criticism by the attorney general of the province of Quebec, the prosecutor or the courts to the effect that any information did not come forward from the force as and when requested.

Oral Questions

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE MINISTER KNEW FORCE WITHHELD INFORMATION

Mr. Edward Broadbent (Oshawa-Whitby): We have been left with the impression for the past couple of days that the investigation that was so described last year led to the government knowing at that time that the then Commissioner of the RCMP, Mr. Higgitt, had withheld information from the then Solicitor General, the present Minister of Supply and Services. Therefore, the whole question of account ability of the RCMP to the political authority and the problem that existed was known last year. It appeared that the government was unaware of the problem last March. When did the present Solicitor General learn of the withholding of information? Considering the implications of a lot of the uncertainty that arises out of the particular case as to whether an investigation was done, does the Solicitor General now agree that we need a public inquiry into the whole affair?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think the hon. member is once again confusing two things. A public inquiry as he has suggested interfaced between the Department of the Solicitor General and the force could quite properly be within the jurisdiction of the federal government. As to the other part concerning coverups or criminal activities, either during the course of the break-in or following, we have indicated a number of times in the course of the past week it is a matter that ought to be looked at by the appropriate provincial attorney general.

* * *

[*Translation*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

REQUEST FOR EASIER LENDING CONDITIONS

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

Since the federal government through the Central Mortgage and Housing Corporation lends considerable amounts of money to the provinces for building low-price homes and since the provinces undertake to reimburse the federal government $5 for each dollar borrowed, because of the not only high but compounded interest rate, can the minister tell the House whether he will urge his cabinet colleagues to change that loan policy to the provinces so they may reduce their debt towards Ottawa and accept a greater number of projects so as to spur construction and reduce unemployment?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I should like to remind the hon. member that in fact the federal government lends at a preferential rate for 50 years, which is already a form of grant. That is why I cannot agree with the hon. member who gives the impression that the rates of interest on housing loans made by the federal government to the provinces are too high. On the contrary, these are preferential loans made at a rate far lower than any on the market. It is obvious that by his question the hon. member again raises, in a disguised form, one of his party's policies, that of advocating interest-free loans to the provinces, but I do not think that suggestion, which was not acceptable in the past, will be so in the future.

Mr. Lambert (Bellechasse): Mr. Speaker, I understand that the minister is also giving a conventional answer to the effect that this has never been done elsewhere. Why should it be done in Canada? However, as recently as yesterday, the Minister of National Health and Welfare stated that Canada was introducing a new policy that had never been implemented elsewhere.

I would like the minister to answer my question and ask the advice of his colleague the Minister of National Health and Welfare to find a new and less burdensome formula for the provinces. I understand that those loans are for a 50-year period, but they become costly when the provinces are compelled to pay them five times over. Does the minister agree about that?

Mr. Ouellet: Mr. Speaker, I know that the hon. member is working toward a noble purpose when he suggests a new formula. However, instead of encouraging the provinces it might be advisable to encourage the residents of the provinces and in that respect the hon. member could perhaps ask the Quebec government to sign an agreement under section 44(1)b) of the National Housing Act which would allow the payment of a rent subsidy not intended for the province as such but rather for the poorer citizens who have lower incomes in Quebec, so that some accommodation at decent rents is made available to them through federal subsidy.

* * *

[*English*]

CONFLICT OF INTEREST

INVOLVEMENT OF SENATOR DAVEY WITH BLUE WATER RACING ASSOCIATES AND HYDROCULTURE LUWASA

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Prime Minister, the President of the Privy Council and the Minister of Agriculture, I wish to ask the Minister of Justice a question in relation to the position of Senator Keith Davey, the chief Liberal organizer and confidant of the Prime Minister. It has been confirmed by Senator Davey in connection with his interest in Blue Water Racing Associates Ltd. that he provided assistance and licensing and that he involved himself in representations to government which consisted of setting up meetings with Department of Agriculture officials. More recently, Senator Davey has acknowledged his involvement as a director of Hydroculture Luwasa, a privately-owned company which does business with the federal government. May I ask the Minister of Justice whether he does not feel that these different activities of Senator Davey could result in a possible conflict of interest?

● (1440)

Hon. Ron Basford (Minister of Justice): This matter has been raised in the House a number of times and I must admit I am not personally familiar with it. I understand the Senator has made a statement with regard to it in the other place and I should like to read that statement.

Mr. Hnatyshyn: I might point out that the statement bore striking resemblance to the statement made some time ago by Senator Giguere. I know the minister will read it and make his own interpretation. In a confidential letter dated October 18, 1976, written by the Prime Minister to the President of the Privy Council the Prime Minister included an appendix which laid out principles governing the activities of holders of public office. One of those principles, as stated in appendix one, reads as follows:

> Current and former holders of public office must ensure by their actions that the objectivity and impartiality of government service are not cast in doubt and that the people of Canada are given no cause to believe that preferential treatment is being accorded or will be duly accorded to any person or organization.

Does the Minister of Justice not feel that the fact reported that Senator Davey had set up meetings with Mr. Syd Pratt, the director of parimutuel betting and the federal Department of Agriculture and had also set up other meetings in the department contradicts the principle laid down by the Prime Minister in his letter?

Mr. Basford: Mr. Speaker, I find the innuendo contained in the beginning of the hon. member's question totally reprehensible.

Some hon. Members: Hear, hear!

Mr. Basford: For a party which does so much prattling about the Bill of Rights, which provides for due process, they are the largest group in the country which consciously every day in this House disobeys and ignores the basic tenets of the Bill of Rights.

Some hon. Members: Hear, hear!

Mr. Basford: With regard to the latter part of the question, as I indicated earlier, I should like to read the Senator's statement.

Mr. Hnatyshyn: The Minister of Justice need not lecture the House in view of the government's failure to provide any sort of inquiry and its ability to stonewall every important issue we have brought up. I think that as a member of parliament I have the right to ask these questions.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: On two occasions ministers have stressed that the Senator made no money on the Blue Water Racing venture and, to date, the amount of Hydroculture Luwasa's business with the government has been relatively small. Without offending the minister's sensibility, might I ask him this question: Could he tell the House whether we can take it to be the policy of the government that failure to reap large rewards from potential conflict is somehow a defence against the charge of conflict of interest?

Mr. Basford: No, Mr. Speaker.

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY SENATOR DAVEY VIOLATED SECTION 110 OF THE CRIMINAL CODE—GOVERNMENT POSITION

Mr. Tom Cossitt (Leeds): In the absence of the Prime Minister I should like to direct a further question to the Minister of Justice, one which also concerns Senator Keith Davey, Liberal Party campaign director, advisor, and close confidant of the Prime Minister. Has the minister undertaken, or will he undertake, to investigate whether or not Senator Keith Davey has violated section 110 of the Criminal Code of Canada which provides a maximum jail sentence of five years for those who use influence for private benefit on behalf of themselves or of their associates in connection with commercial enterprises?

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker, and I will not do so until first reading the statement made in the other place to see whether such action is warranted.

Mr. Cossitt: Will the minister advise the House whether he has received from the RCMP or from the Solicitor General who from time to time seems to accept responsibility for the RCMP, any indication or recommendation that an investigation should be made of any of the activities of Senator Davey and, particularly, whether or not charges should be laid under section 110 or under any other section of the Criminal Code?

Mr. Basford: Mr. Speaker, it has been clear in this House for many years that neither the Minister of Justice nor the Solicitor General ever indicated at any time who may or may not be under investigation. That is the essence of the protection of innocent persons. However, in this case, because of the innuendos which have been spread around, I will answer the question and say, no.

Mr. Cossitt: I should like to direct a final supplementary to the Solicitor General. Would the hon. gentleman tell us whether he has had any communication of any kind on this subject with the RCMP, whether or not he has dealt with the Minister of Justice at any time on this same subject and, finally, whether as a result of any investigation which has been completed or which is in process he is considering recommending to the Minister of Justice that charges be laid against Senator Davey?

Hon. Francis Fox (Solicitor General): The question is exactly the same as that addressed to the Minister of Justice and the answer is exactly the same as the Minister of Justice gave. The answer is, no.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBILITY OF TRANSFERRING SHARES OF STATION CJBR-TV TO CORPORATION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would like to direct a question to the Minister of Communications. On several occasions in the last two months I attempted to get an answer in the House. Would the minister say whether the government has adopted or is considering adopting, as a new policy or practice, to re-examine or unduly delay the CRTC's decisions. I am referring more precisely to the CRTC's decision of last April to authorize the transfer of shares of CJBR-TV, of Rimouski, and CJBR-TVA of Edmundston to the CBC. My constituents would very much like to know what is happening and how much longer they will have to wait for the implementation of a French network in New Brunswick?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the government certainly has no intention of adopting a policy to reverse the CRTC's decisions. The one the hon. member is referring to has been taken a few months ago. It is an authorization to purchase the television station at Rimouski. The CBC is now called upon to take action in the light of this decision. In any event, this question should perhaps be addressed to the Secretary of State.

* * *

[*English*]

SUPPLY AND SERVICES

CONTRACT WITH HYDROCULTURE LUWASA—KNOWLEDGE OF MINISTER—SENATOR DAVEY DIRECTOR OF COMPANY

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Supply and Services. In the course of a statement on privilege made in the other place on Monday, Senator Davey indicated he was a director of Hydroculture Luwasa, a privately-owned Canadian company which grows plants without soil—I presume the rainmaker knows what he is doing—and that his company had done approximately $1,000 worth of business with the federal government. I should like to ask the minister whether he is aware that Senator Davey was a director of Hydroculture Luwasa at the time the contract was awarded.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not even know if that contract has been granted by my department and anyway I was absolutely not aware that the senator was one of the directors of that company.

[*English*]

Mr. Coates: I should like, first of all, to ask the minister to bring himself up to date as to the activities of his department so that we might be aware of what is going on. Inasmuch as the statement of privilege was made earlier this week, the hon. gentleman could have made himself aware of the situation. Since Hydroculture Luwasa has recently opened an Ottawa location in anticipation of securing a substantial contract from the hon. gentleman's department I should like to ask him whether he will determine whether such a contract has already been awarded to this company or whether negotiations are going on with officials of his department at the present time in connection with such a contract.

[*Translation*]

Mr. Goyer: Mr. Speaker, I do not usually condemn a company beforehand without knowing the facts, and in this case I shall certainly inquire. I am not aware of any negotiation in my department with this company, but I shall inquire.

* * *

• (1450)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF CORPORAL RAMSAY CONCERNING BREAK-INS IN 1972—REQUEST FOR REPORT ON INVESTIGATION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I direct my question to the Solicitor General. *Maclean's* magazine of July, 1972 carried very extensive allegations by Corporal Jack Ramsay concerning illegal break-in at that particular time. Subsequently this House debated that question for almost a week and the right hon. member for Prince Albert called in 1972 for a royal commission to examine the allegations of Corporal Jack Ramsay. The minister indicated in his statement that illegal break-in is a rare and exceptional occurrence. Now that he has had a chance to study the matter, can he report to the House what was the investigation that his predecessor carried out in respect to those allegations made by Corporal Jack Ramsay in that *Maclean's* edition in 1972?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I believe the *Maclean's* edition has just barely hit the streets, that it has just barely been published.

Mr. Leggatt: This was back in 1972.

Mr. Fox: I thought the hon. member was talking about a very recent issue. If the hon. member's question does indeed refer to a magazine article printed in 1972, surely he does not expect me today to have gone over the files for 1972. At the moment we on this side of the House are trying to help the RCMP provide the type of security service that this nation deserves, the type of protection against criminal activity that Canadians deserve. I will, of course, examine the question which has been raised by the hon. member, but I do not believe he should expect me to be able to give him an answer today on what happened in every case in 1972.

PLACING OF BOMB BY CONSTABLE SAMSON—REQUEST FOR REPORT ON INVESTIGATION

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. As the minister well knows, the question directed to him was whether an investigation took place concerning those very serious charges by his predecessor, the present Minister of Supply and Services. That is very apropos of what we are dealing with in the House today in view of the minister's statement that these things are rare and almost never happen. My supplementary question is this. Officer Samson was convicted of illegally placing a bomb, a very serious charge. I am sure that the Solicitor General or his predecessor has now had ample opportunity to study that case because that is what initiated the investigation into the break-in. My question is this. Who was it in the RCMP, if anybody, who authorized that activity by Samson? Was he acting as an individual, and has the Solicitor General completed an inquiry into that particular terrorist act?

Hon. Francis Fox (Solicitor General): Mr. Speaker, what I indicated in my statement was that the government was assured by the commissioner of the RCMP that the incident with L'Agence de Presse Libre du Québec was indeed an exceptional and isolated incident. As to the incident referred to by the hon. member concerning Samson, that matter was handled exclusively in the courts by the attorney general of the province of Quebec. The individual was brought to trial and I believe that the transcript of the trial would provide answers for the hon. member. It is quite possible that nobody has ever found out who authorized it. What is quite clear and certain is that the whole matter was investigated by the attorney general of the province of Quebec and the matter brought to trial. I am not too sure how many investigations hon. members would like to see carried out.

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BILINGUALISM

REQUEST FOR CLARIFICATION OF STATEMENT ON FREEDOM OF CHOICE OF OFFICIAL LANGUAGE FOR EDUCATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State of which notice has been given. On page 70 of the document "A National Understanding" there is the statement: "The federal government accepts that circumstances may make necessary deferment of the application of this important principle". I want to ask the minister what the principle is. Will he clarify the policy implications of the statement so that the objective of ensuring equal rights and dignity for the French and English communities in Canada can be realized? I think the minister will agree there is some unrest about the implications of this statement.

Hon. John Roberts (Secretary of State): Mr. Speaker, I agree with the hon. gentleman and I am therefore grateful to have the chance to answer the question. There has indeed been some confusion which appears to have been caused by this paragraph. Some have even interpreted the official language policy which I presented to the House as supporting or being capable of supporting bill No. 1 of the province of Quebec. That is entirely not true, for the very fact that bill No. 1 of the province of Quebec contemplates restrictions on freedom of choice as a permanent feature in the Quebec educational system. It is the essential principle of the language paper which the federal government has presented that there should not be restrictions on freedom of choice regarding access by Canadians to either French language education or English language education.

Therefore, Mr. Speaker, as the hon. member has pointed out, to what does this possibility of deferment to be found on page 70 in the statement that "The federal government accepts that circumstances may make necessary deferment of the application of this important principle", refer?

An hon. Member: No speech.

Mr. Roberts: Mr. Speaker, I am sorry but this is a very important point and I will not take much longer. I am answering the hon. member's question specifically. That statement refers to the paragraph which precedes, that is, to the possibility of some deferment in relation to immigrants arriving within the province of Quebec. It does not refer to English speaking Quebecers. Nor does it refer to Canadians who might come into the province of Quebec from outside and wish access to English speaking education.

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ROYAL CANADIAN MOUNTED POLICE

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REASON FOR FAILURE TO INTERVIEW ASSISTANT COMMISSIONER L. R. PARENT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Solicitor General and it also relates to the L'Agence de Presse Libre du Quebec incident. Can the Solicitor General tell the House whether he has interviewed former assistant commissioner L. R. Parent, who was the deputy director of security intelligence reporting to Mr. Starnes at the time of the break-in and who sent the letter to the former solicitor general requesting that no acknowledgement be made to the L'Agence de Presse Libre letter alleging RCMP involvement in the break-in, and who has since left the force, to determine whether or not he knew of the force's participation in the illegal break-in and, if so, why he did not give that information to the Solicitor General in his letter? If the minister has not interviewed Mr. Parent, why has he not done so?

Hon. Francis Fox (Solicitor General): Mr. Speaker, in answer to the hon. member's specific question why I have not interviewed Mr. Parent, it seems quite clear to me that since the matter was brought directly to the attention of the solicitor general at the time and that he, himself, during the course of meeting with the force, as indicated in my statement and as indicated in his statement, asked the force directly why no

acknowledgement was necessary, the letter having been brought up to that level I am not interested in all intermediary levels.

Mr. Beatty: Mr. Speaker, apparently the minister did not understand my question. I was not asking whether or not Mr. Parent had written to the Solicitor General to request that he not acknowledge the letter but rather whether or not the present Solicitor General had interviewed Mr. Parent at the time he wrote that letter to the minister's predecessor to inquire whether Mr. Parent knew of illegal activity by the RCMP, as is alleged in the letter; and if he did know of that, why he did not give that information to the Solicitor General, something which the former solicitor general says was not done by Mr. Parent or by Mr. Starnes or by Mr. Higgitt.

Mr. Fox: Mr. Speaker, I answered that very categorically at the beginning of my reply.

REQUEST FOR TABLING OF CORRESPONDENCE CONCERNING REPLY TO ALLEGATION OF L'AGENCE DE PRESSE LIBRE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): The minister did not and he knows he did not. Is the minister at least prepared today to table the exchange of correspondence between the former solicitor general's former executive assistant and Mr. Parent, in which a request was made to the RCMP for advice on how to reply to the letter from L'Agence de Presse Libre du Québec and in which Mr. Parent advised that no acknowledgement be made?

Hon. Francis Fox (Solicitor General): With respect, Mr. Speaker, I answered the hon. member's first question in the negative. I indicated it had been answered in the negative because the matter had gone to the commissioner of the RCMP at that time, and that the solicitor general at that time had the opportunity during the course of the November 6 meeting—

Mr. Beatty: That letter was written before November 6.

Mr. Fox: Of course it was. How else could it be discussed on November 6 if it had not been written before November 6?

Mr. Baker (Grenville-Carleton): Table it.

Mr. Fox: As to the hon. member's second question, I have not had the opportunity of discussing the matter of tabling the letter with my colleague the House leader; I want to discuss it with him to see whether it breaks any precedents of the House.

* * *

TRANSPORT

PROPOSED MORATORIUM ON IMPORTATION OF FOREIGN-BUILT SHIPS TO AID CANADIAN SHIPBUILDING INDUSTRY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a brief question for the Minister of Transport which has to do with the request of the Canadian shipbuilding industry. I pose the question in light of the very serious situation facing Canadian shipyards and shipbuilders over the next short term period. The request has to do with the seeking of a temporary moratorium on the importation of used foreign-built ships into the Canadian trade, and the request that this practice be halted for a period of time so as to assist in tiding over the Canadian industry during this period of difficulty. I wonder if the minister could indicate what his reaction to that request is. If he has not arrived at a decision, when does he think he will be in a position to indicate to the industry what his decision will be?

• (1500)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have not arrived at a conclusion yet with regard to this question. We are considering it in light of the whole question of the shipbuilding industry in Canada.

Mr. Diefenbaker: Mr. Speaker, to begin with, I should point out that the House was supposed to convene at two o'clock, at which time there were no ministers in the House. You did not call the House to order for eight minutes, awaiting the arrival of ministers. Under normal circumstances there was ample time available then. Standing Order 15.(2) reads as follows:

> Not more than two minutes after the reading of prayers, the business of the House shall commence.

Then it continues:

> Not later than 2.15 p.m., or 11.15 a.m., as the case may be, oral questions shall be taken up.

Instead of waiting for 15 minutes, you proceeded having waited a period of eight minutes beyond when the House would normally be called to order, and you refused to hear me. It might have been a fault of communication. Those things sometimes happen. I want to be frank about this: apparently you were not informed, as I thought you would be, that I had a question I wished to raise under Standing Order 43. However, having regard to the reaction of the members opposite, it was reminiscent to me of what happened in 1956 when an all-powerful government with vociferous members tried at all times to deny the opposition any expression of their views, whether within or without the rules. I do not want to see a repetition of that.

I should point out that had you asked for consent to permit me to proceed, this group of individuals who sit opposite would not have granted it, in the same way as they regularly deny any discussion of anything under Standing Order 43, simply by one or two saying "no". Parliament cannot live when members do not respect the rights of an opposition.

I was endeavouring to bring a motion before the House in connection with a matter which I raised yesterday, namely that on Dominion Day,—

An hon. Member: Canada Day!

Mr. Diefenbaker: —in a national gathering on Parliament Hill, either Her Majesty the Queen or the Queen's representative in Canada, the Governor General, should speak. Accord-

ing to the arrangements made, and which the Prime Minister (Mr. Trudeau) denied having any knowledge of, he alone would speak. He is not the head of state of Canada.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I simply ask that parliament be respected and that the Leader of Her Majesty's Loyal Opposition (Mr. Clark), the Leader of the New Democratic Party (Mr. Broadbent) and the Leader of the Social Credit Party (Mr. Fortin) should have the right to speak. No prime minister has the right, by virtue of his position, to endeavour to convince Canadian people that he, and he alone, has a monopoly over freedom within this country.

Some hon. Members: Hear, hear!

Mr. Speaker: By way of the point of order raised by the right hon. member for Prince Albert (Mr. Diefenbaker), I should indicate that we are operating under rather extraordinary conditions. Inevitably whenever we go into extra hours we distort the customary habits of the members of the House. Instead of coming in and beginning the session at two o'clock with prayers, as we usually do and as the Standing Order requires, and then giving the Chair some guidance as to how long after that time we might begin the session, we convened this morning at eleven o'clock. We said prayers at the commencement of the session, which we would normally say at two o'clock. Therefore, when that happens and when we come into the Chamber at two o'clock, we simply sit and wait for a quorum, and I wait for some indication from representatives of the House as to the appropriate time to begin. That is not our usual practice, and therefore things can become distorted.

However, there is no discretion in the Chair to extend the time for motions pursuant to Standing Order 43. In fairness the House ought to be cautioned. The failure of members on both sides of the House to respond promptly to the two o'clock bell works to the prejudice of the use of that time prior to 2.15. One point raised by the right hon. member to which we ought to pay attention is that it would serve all purposes of the House better if we could all get here closer to two o'clock every afternoon.

Some hon. Members: Hear, hear!

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HOUSE OF COMMONS

CONGRATULATIONS TO MEMBER FOR SIMCOE NORTH ON EIGHTIETH BIRTHDAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. I realize Your Honour's concern, which is a proper concern, about the taking of time with regard to congratulations. As for birthdays, there are 264 members in this Chamber and most of us have a birthday every year; but when one of our number reaches the age of 80 all of us would like to extend him our congratulations. According to the Parliamentary Guide, the hon. member for Simcoe North (Mr. Rynard) will be 80 on Saturday, and I believe the House would like to extend its congratulations to him.

Some hon. Members: Hear, hear!

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I am overcome. I want to say it has been a great privilege and honour to sit in this House. It has been something I would not have missed for anything, because nature in its various moods is revealed here. It has taught me something about the physical aspect of medicine which I did not know before coming here, so I have had an education. It has indeed been a privilege to meet and sit with people like the Right Hon. Louis St. Laurent, an outstanding parliamentarian in his day, and the right hon. member for Prince Albert (Mr. Diefenbaker), another outstanding parliamentarian.

I am grateful to the good Lord for my health, the position I am in today, the facilities and the faculties I have to carry on each year and extend myself a little. I hope to add to that wisdom over the years to come.

Some hon. Members: Hear, hear!

● (1510)

Mr. Rynard: Mr. Speaker, I must have my supplementary to say how sorry I am that I did not express my gratitude to my good friend, the hon. member for Winnipeg North Centre (Mr. Knowles), with whom I have sat here for many years, for bringing this to the attention of the House.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I rise on a point of order. Knowing the respect with which this House holds the right hon. gentleman, and given the fact that it is not too often that he rises under Standing Order 43, and also the fact that I notice on a number of occasions the House has shown that it is master of its own destiny, and therefore, having given unanimous consent may circumvent the rules, I wonder whether the House would be disposed now to giving the necessary unanimous consent so that the right hon. gentleman, whom we all hold in the highest respect and who has without question lived among us in such a way that he will go down as one of Canada's leading statesmen, move the motion.

Mr. Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander), I know, makes his request in good faith, but it puts the House in a very awkward position. At the time the right hon. gentleman was seeking the floor under Standing Order 43 several of his colleagues were seeking the floor, the hon. member for New Westminster (Mr. Leggatt) and several others. That happens every day. Surely, if we are to begin now to consider the importance of the subject matter or the importance of the hon. member involved who seeks the floor on one occasion, we will be asked to do it again. Although the best of faith is shown by the hon. member for Hamilton West, I really cannot find a procedure by which we

could extend the period for presenting motions under Standing Order 43.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Tenth report of Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

FISHERIES AND FORESTRIES

Fourth report of Standing Committee on Fisheries and Forestries—Mr. Anderson.

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

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[*English*]

ENERGY

TABLING OF CORRESPONDENCE WITH ALBERTA AND SASKATCHEWAN CONCERNING OIL AND GAS PRICE INCREASES

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, under Standing Order 41(2) I wish to table in both official languages a statement setting forth the details of crude oil and natural gas price increases as agreed by the federal government and the two producing provinces, Alberta and Saskatchewan, and the letters exchanged between the minister of energy of Alberta and myself.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a question of privilege. I want to ask Your Honour about the propriety of the Minister of Energy, Mines and Resources (Mr. Gillespie) tabling a statement and certain correspondence. No doubt under Standing Order 41(2) the minister is entitled to file copies of correspondence between himself and provincial ministers of energy, but to file also a statement is, in my opinion, not within the ambit of the provision under Standing Order 41(2).

If there is to be a statement—and that is what it is, a statement on oil and natural gas prices by the minister—that statement should be made on motions so that members can ask questions about it. The statement contains reference to a number of things and it is not clear whether they represent the government's intention to introduce measures or whether they are simply matters which were discussed between the minister and the provincial energy ministers. I think that to have a statement like this issued and going out to the press, giving the impression that these are programs which the government is about to institute without any opportunity for members to ask questions and to ascertain what the statement means, is taking advantage of the provisions under Standing Order 41(2). I think Your Honour might take into consideration whether or not this is the proper use of that provision.

Mr. Baker (Grenville-Carleton): There is no doubt at all about the point raised by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The procedure that we established under the revised rules with respect to statements, that is something labelled as a statement or something which by its nature is a statement, is that such a statement would be made in the House of Commons orally by a minister, and members of the House particularly interested in the subject matter of the statement would have the opportunity to ask questions about it. As the hon. member said, there is nothing wrong with tabling certain documents, but to adopt the practice of tabling a statement in the House is clearly contrary to the rules.

I am sure that the minister does not want to run counter to the rules and in fact he should not be allowed to do so. I would ask you, Mr. Speaker, to take that matter into consideration and have the minister withdraw his request. I do not wish to inconvenience the minister but I really think that before he attempted to table the statement he should have accepted some advice from the President of the Privy Council (Mr. MacEachen) because this is in clear contravention of the standing orders.

Some hon. Members: Hear, hear!

Mr. Blais: Mr. Speaker, I did not get the benefit of the beginning of the hon. gentleman's remarks but, as I read Standing Order 41(2), the minister, as a minister of the Crown is completely entitled to table any documents he wishes to table and there is nothing to prevent him from doing that. Standing Order 41(2) expressly states so. The documents that are sought to be tabled are indicated as being documents and are so identified. That is the choice of the minister. If he wishes to table them, I see nothing to prevent him from doing so.

Mr. McGrath: Mr. Speaker, I would like to rise in support of the point of order and respectfully submit to Your Honour that you should look at this very carefully because otherwise we could be setting a very dangerous precedent. What the minister seeks to do by this flagrant misuse of Standing Order 41(2) is to circumvent the provisions of Standing Order 15 which specifically makes allowance for ministers to rise and make statements in the House, on which occasion opposition members and other members of the House, are entitled to make adequate responses and ask questions. If the minister is permitted, and if you in fact allow this wide interpretation of Standing Order 41(2) which refers clearly to documents to bootleg in statements to which members of the House will not be given an opportunity to make a response, we would be setting a very dangerous precedent which will considerably weaken the provisions of Standing Order 15 which clearly makes provision for oral statements.

● (1520)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am rising mainly because of a remark made by the Postmaster General (Mr. Blais). He said that the minister is a minister of the Crown, and he can table anything he wants. I remind you, sir, and the Postmaster General, that there is at least one precedent that I recall when Mr. Speaker Lamoureux denied the Hon. E. J. Benson the right to table a document which, when looked at, turned out to be just a press release. I submit that this document is much the same. It starts off by saying "I am today anouncing such and such". Some of the things he says he is announcing are in this four-page statement which he has asked to table, and some of them are not there. As I recall the ruling of Mr. Speaker Lamoureux, it was along the lines just mentioned by two or three speakers, namely, that this is an abuse of the right to table official documents under Standing Order 41(2).

We set up the Standing Order regarding the making of statements so that when statements were to be made, they could be responded to and ministers could be questioned. It is a line which is hard to draw, but I say to the Postmaster General that it is not true to say that because a minister is a minister of the Crown, he can table anything he wants. I think Your Honour ought to have a look at this document and compare it with the one Mr. Speaker Lamoureux refused to let Mr. Benson table.

Mr. O'Connell: Mr. Speaker, my understanding of what the minister is seeking to table is that it is an agreement between the federal and provincial governments written out in letters which are among the tabled documents, that is to say, documents with a statement explaining those documents. If that is the case, it seems to me that the tabling falls within even the narrow construction being put upon it by hon. members opposite and ought not to raise objections even on that score. However, I think the point made by the Postmaster General (Mr. Blais) is the valid one.

Mr. Speaker: Obviously we are hampered to a certain extent by guessing at this stage as to what the document really is. Certainly, the Chair is. I have a copy of the document here and I am perfectly able to read it, but I do not think it would be expected that for the purposes of this rule or this argument the Chair or anyone else would be able to absorb, digest and accurately describe the nature of the document and apply it against the precedents.

On the face of it I must say that the point is well taken. The document certainly seems to be in the nature of a statement by the minister and in fact seems to be more in the nature of perhaps a release, a statement or a speech. I would be terribly concerned, if the document were received pursuant to this Standing Order, about whether a minister could table speech notes. Obviously, this matter falls within the minister's administrative competence and falls very directly within his responsibilities, but I think it might be very dangerous to get into this without knowing exactly where we are going.

On the other hand, it may be important at this moment that the documents be tabled, and I would like to reserve my decision as to whether there is any restriction on the right of a minister to table documents under Standing Order 41(2) with respect to that document which is headed "Statement on Oil and Natural Gas Prices by the Hon. Alastair Gillespie". While I reserve on that, it seems to me that there are other documents which do not fall under—in anyone's opinion—a restriction. I do not know whether the minister would prefer, while I reserve on this, to withhold all documents or to table those which are not objected to and simply withhold the statement.

Mr. Gillespie: I suggest that it is very important that I table the two supporting letters which I placed before the House. One is a letter addressed to Mr. Getty, and the second is from Mr. Getty to me setting forth the essentials of a federal-provincial agreement with respect to oil prices.

I would like to make a further point, a point which was made by my colleague. The additional statement which I placed before the House entitled "Statement on Oil and Natural Gas Prices"—

Mr. Knowles (Winnipeg North Centre): You could have read it.

Mr. Gillespie: —was offered as an elaboration or as a clarification of the content of and the background to the negotiations themselves which took place over a period of time. They culminated in early May with a federal-provincial minister's conference and subsequent discussions between myself and provincial premiers and provincial ministers. I have tried to put these two letters which set forth a very important federal-provincial agreement in context.

Mr. Baker (Grenville-Carleton): A statement on motions should do that.

Mr. Speaker: Be that as it may, I am sure that the document was proposed by the minister with the best of intentions. I do have to take seriously the point as to whether it is the kind of document envisaged by the rules and whether there is a restriction. Therefore, perhaps the minister could be deemed to have tabled, pursuant to Standing Order 41(2) the exchange of correspondence referred to, but for the moment withhold the statement until the Chair has had an opportunity to consider the arguments and review the precedents.

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DIVORCE ACT

On the Order—Introduction of Bills.

June 17, 1977—Mr. Robinson—Bill intituled: "An act to amend the Divorce Act (living separate and apart)"

Some hon. Members: Explain.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, the purpose of this bill is to reduce to 18 months the three to five year waiting period required for a marriage that

has broken down to be dissolved. It also eliminates the question of fault under this ground for divorce.

Mr. Baker (Grenville-Carleton): Is this a government bill? Are you doing this for the government or for yourself?

Mr. Speaker: Order please. The proposed seconder of the motion, as indicated to me by the hon. member for Toronto-Lakeshore (Mr. Robinson), is not in the House. I took the liberty of naming another hon. member. In view of the rather controversial subject matter of the bill, that may have been a liberty the Chair ought not to have taken, and perhaps the bill should stand until the proposed seconder is in the House.

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MANAGEMENT AND MEMBERS' SERVICES

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester North) moved that the third report of the Standing Committee on Management and Members' Services be concurred in.

Motion agreed to.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Maurcie A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 1,776, 2,214, 2,414, 2,416 and 2,419.

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

[*Text*]

GOVERNMENT PROCEDURES TO ENSURE CBC CONFORMS TO ITS OBJECTIVES

Question No. 1,776—**Mr. Herbert:**

What procedures does the government use to ensure that the Canadian Broadcasting Corporation conforms to its objectives?

Hon. John Roberts (Secretary of State): On December 2, 1976, the Secretary of State appeared before the Standing Committee on Broadcasting, Films and Assistance to the Arts where this matter was raised. At that time, the minister stated that parliament has imposed upon the Secretary of State a self-denying ordinance with respect to the CBC, which is to say that the day to day operations of the corporation are a matter for CBC management. However, Parliament has certain instruments of examination, the principal one of which is the Standing Committee on Broadcasting, Films and Assistance to the Arts, before which the Corporation appears annually. More important, parliament, through the enactment of the Broadcasting Act in 1968, established an agency to regulate and supervise all aspects of the Canadian broadcasting policy enunciated in Section 3 of the Act. As it is known, the Government has asked the CRTC to undertake an inquiry to determine whether the French and English networks of the corporation are fulfilling its mandate.

GOVERNMENT GRANTS TO CBC OVER PAST 10 YEARS

Question No. 2,214—**Mr. Woolliams:**

What was the total amount lent by the government to CBC over the past ten years?

Hon. John Roberts (Secretary of State):

Fiscal Year	Amount
1967-68	$ 21,300,000
1968-69	22,200,000
1969-70	24,700,000
1970-71	5,300,000
1971-72	33,040,000
1972-73	22,000,000
1973-74	55,934,000
1974-75	0
1975-76	0
1976-77	0
1977-78	0
Total	$184,474,000

Commencing in the 1974-75 fiscal year, the CBC capital vote became a budgetary item not subject to repayment. The above does not include: (a) funds advanced to the CBC for the construction of broadcasting facilities at Toronto, for the Ontario Educational Communications Authority (OECA). These funds, authorized by Order in Council were in the amount of $630,000 in 1969-70, $310,000 in 1975, $700,000 in 1976 and $150,000 in 1977. These monies are fully repayable by the Ontario Educational Communications Authority; (b) the approved increase (1976-77 Supplementary (D) Estimate) in the working capital of the CBC by $10 million for a total working capital base of $25 million.

IGLOOLIK RESEARCH STATION

Question No. 2,414—**Mr. Firth:**

1. How many scientists from outside the Northwest Territories used the Igloolik Research Station in (a) 1975 (b) 1976?

2. How many (a) government officials (b) Territorial government officials visited the Igloolik Research Station in (i) 1975 (ii) 1976?

3. (a) Are such visits by Territorial and Federal officials subject to the approval of the Igloolik Settlement Council (b) are the activities of the Igloolik Research Station subject to the approval of the Igloolik Settlement Council?

4. What is the number and type of research projects being conducted from the Igloolik Research Station?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Most projects usually last over a long period of time and several scientists may be involved in each of the projects. In addition there may be laboratory technicians and assistants who work with the scientists. The number of scientists using the Igloolik Research Station during 1975 and 1976 was between 20 to 30 for each year.

2. (a), (b), (i) and (ii) Not known.

3. (a) No. (b) The activities of the Igloolik Research Station are not subject to the approval of the Igloolik Settlement Council but the issuance of scientific licences by the Commissioner of the Northwest Territories for research projects in the Igloolik area requires the approval of the Community Council. The community is also kept informed of laboratory activities through an Advisory Committee made up of representatives from the Igloolik community. Reports are issued regularly to inform the community at large of current laboratory activities.

4. 1975: Nine projects, (i) Oceanography, Defence Research Board (two projects); (ii) Earth Physics, Dept. of Energy, Mines & Resources (two projects); (iii) Tidal Measurement, Environment Canada; (iv) Soils Studies, Simon Fraser University; (v) Archeological Survey, University of Arkansas, U.S.A.; (vi) Anthropological Studies, Graduate Student, University of Toronto; (vii) Eskimo Artifact Studies, Royal Albert Memorial Museum, U.K. 1976: height projects; (i) Study of Nutritive Content of Native Foods, University of Manitoba; (ii) Ecophysiology, York University (two projects): (iii) Study of Ground Vegetation, McGill University: (iv) Ecology of Arctic Soil Mites, McGill University:*(v) Oceanography, Defence Research Board (two projects): (vi) Physiological Cooling in Man, Defence and Civil Institute of Environmental Medicine at Downsview.

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* NOTE: Continuation of 1975 project.

TRANSITION TO POST CONTROLS PERIOD

Question No. 2,416—**Mr. Howie:**

What steps are currently being taken to ensure a smooth transition from the present period of wage and price controls to the post-controls period?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): At the time the wage and price controls were introduced, it was made clear that they were to form only one part of the Anti-Inflation Programme. To evaluate what has been done to ease the transition to the post-controls period, it is necessary to look at the whole picture. In the March 31 Budget, the various policy initiatives that have been undertaken were described. As well as fiscal and monetary policies to encourage moderate growth and produce more jobs while winding down inflation, work is in progress to attack the structural problems at the root of the inflationary pressures. An announcement was made in the budget that a discussion paper would be issued which would explain the plans for decontrol and set out a proposal for a monitoring agency. In addition, suggestions would be made regarding structural reform and improved procedures for consultation. This paper was published May 27. Using the paper as a starting point, the government will consult with the objective of obtaining a broad understanding of what is required to hold down inflation. Following the consultations, a decontrol date will be announced.

COST OF DEPARTMENTAL PROGRAMMES FOR STUDENTS

Question No. 2,419—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Hostel Services (b) Open House (c) Student Community Services (d) Summer Language Bursary under the Department of the Secretary of State?

2. Are any other programmes available for students under the Department?

Hon. John Roberts (Secretary of State): 1. Fiscal Year 1976-77: (a) Hostel Services, eight persons hired; Operating Costs, $155,000; Grants, $772,497; Contributions, Nil. (b) Open House Canada does not come under the Student Summer Employment Programme. (c) Student Community Services, 37 persons hired; Operating Costs, $527,000; Grants, $5,179,565; Contributions, Nil. (d) The Summer Language Bursary Programme does not come under the Student Summer Employment Programme.

2. No other summer programme for students available in the department for 1976-77.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

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PRIVILEGE

MRS. HOLT, MR. BALDWIN, MR. LAWRENCE—RULING MR. SPEAKER

Mr. Speaker: There remain outstanding three questions of privilege on which I have indicated to the House my intention to rule during this week. However, the somewhat turbulent events of the earlier days of the week led me to withhold this decision until this moment. This concerns three outstanding motions under our privilege procedures. On May 6 the hon. member for Vancouver-Kingsway (Mrs. Holt) moved that the question of the publication of the in-camera proceedings of the sub-committee on penitentiaries of the Standing Committee on Justice and Legal Affairs which have not been reported to the House be referred to the Standing Committee on Privileges and Elections.

● (1530)

Second, the hon. member for Peace River (Mr. Baldwin) moved:

That the Standing Committee on Privileges and Elections inquire into the statements alleged to have been made by the hon. member for Maisonneuve-Rosemont, which appear in today's edition of the *Globe and Mail*, and into related or other incidents, which indicate that the rights of parliament on behalf of the people to have full and unabridged reporting of the actions of government are being threatened.

Third, the motion of the hon. member for Northumberland-Durham (Mr. Lawrence) on June 13:

That the matter of the reference in that CBC program last night as it pertained to me be referred to the Standing Committee on Privileges and

Elections so that I may have an opportunity of clearing what I think is the very great stigma that attaches to my reputation and to my name.

These matters are related in some way to the relationship between the House of Commons and the press and to some extent they have certain basic principles in common. Each deserves to be dealt with on its own merits, however, and I shall endeavour to do so, taking them in reverse order.

First, the point raised by the hon. member for Northumberland-Durham. The CBC documentary on organized crime in Canada which was shown in two parts on Sunday, June 13 and Monday, June 14 made reference during the two segments to some hon. members of this House. On Monday, June 14 following the first segment, the hon. member for Davenport (Mr. Caccia) and the hon. member for Northumberland-Durham raised the matter of privilege and at that time made a brief explanatory statement.

On the following day the hon. member for Saint-Hyacinthe (Mr. Wagner) made a similar intervention, and the day after that the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) did likewise, both interventions relating to the contents of the second segment scheduled and shown on Monday, June 14. Both the hon. member for Burnaby-Richmond-Delta and the hon. member for Saint-Hyacinthe indicated the matter was being taken up in the courts on their instructions.

Of the four hon. members who raised a grievance in that respect in the House under our privilege procedures, only the hon. member for Northumberland-Durham proposed a motion. The practice resorted to by all four hon. members is not new, and while it does not in my opinion technically constitute a question of privilege, it is a practice that has been resorted to customarily in similar circumstances. This practice permits what is essentially a personal statement of an hon. member of this House under the umbrella of privilege in circumstances where the hon. member feels unduly attacked and gives the hon. member an opportunity to air that matter and to be heard by the House. A similar practice exists in Great Britain and is described in May's 19th Edition at page 343.

Precedents abound on the highly restrictive nature of privilege in our House. One of the most often quoted decisions relates to requiring for privilege an element of obstruction or interference of an hon. member in the exercise of his duty, of obstruction of hon. members, collectively or individually, in the discharge of their functions as members of this House.

Where the press is concerned, we also have the benefit of two earlier decisions in which on one occasion the hon. member for Madawaska-Victoria (Mr. Corbin) and on another occasion the hon. member for Athabasca (Mr. Yewchuk) raised questions of privilege in recent years. On both occasions they presented to the House, as did the hon. member in this particular case, well reasoned presentations. I therefore had the benefit of considerable preparation on both those occasions by hon. members, and in addition, of course, the usual excellent research assistance that was so thoroughly done. I think those precedents are of some assistance to us.

[Mr. Speaker.]

In respect of the hon. member for Madawaska-Victoria on May 20 I had this to say at page 13708 of *Hansard*:

There has really never been an occasion on which an hon. member has been deprived of the opportunity, when there is a grievance of this sort, to air that grievance. Whether or not it constitutes strictly a question of privilege, there has never been a time when the hon. member concerned did not have the opportunity to raise the question, to air his grievance and to make it well known, as the hon. member for Madawaska-Victoria has done today. Other members who might have wished to take part in the discussion could have done so.

However, it will remain my view that a fundamental right is involved here equal, at least, if not greater, than the special privileges which surround the rights of members, who really ought to claim privilege only if their opportunity to operate as members of the House of Commons is actually interfered with. Certainly, the right to comment and express to the public what takes place here is an aspect of the freedom of the press which is one of the fundamental rights of our society and one which ought not to be interfered with, in my view, unless it is in fact in contempt of this institution.

On a subsequent occasion on the point raised by the hon. member for Athabasca which concerned some unsavoury remarks, to say the least, in the press about the performance of members of this House who are physicians and were serving on one of the standing committees of the House at that time, I was able to refer with great gratitude to assistance provided by the excellent study done at that time by a committee of the United Kingdom parliament which put forward the following language on this point. The following excerpt from their proceedings appears in *Hansard* of April 9, 1976 at page 12668:

The proposal made in paragraph 42 is fully consistent with the principle which your committee believe to be right, that the House should be slow and reluctant to use its penal powers to stifle criticism or even abuse, whether of the machinery of the House, of a member or of an identifiable group of members, however strongly the criticism may be expressed and however unjustifiable it may appear. Your committee regard such criticism as the life blood of democracy. In their view the sensible politician expects and even welcomes criticism of this nature. Nonetheless, a point may be reached at which conduct ceases to be merely intemperate criticism and abuse and becomes or is liable to become an improper obstruction of the functions of parliament. For such cases, however rare, the penal powers must be preserved and the House must be prepared to exercise them.

I also quoted the following passage:

In your committee's opinion it would be an indefensible abuse of power if a member could evade such a defence by invoking the penal jurisdiction of the House. The citizen has prima facie a right to make fair comment upon such activity of a member as is a matter of public interest; his right is even stronger to speak and publish the truth of a member's conduct. These rights should not in the normal way be defeated by the use of the penal jurisdiction of the House.

I have said many times that the intent and clear purport of that language is that the protection of an elected person against unwarranted or intemperate publicity, even abuses or defamatory publicity, is precisely that which is enjoyed by every citizen before our courts. No more, no less. It is entirely consistent with that principle, I think, that the hon. member for Saint-Hyacinthe and the hon. member for Burnaby-Richmond-Delta indicated their intention to pursue this matter before the courts.

As elected people we can and do expect to be the targets of attack. When those attacks seem offensive I think it is appropriate that the hon. member is offered the courtesy of the House to extend to his hon. colleagues an explanation of the circumstances. I am sure any hon. member who wishes to so

state will always receive that courtesy. That is what was done here by the four hon. members. As has been held in the past, I hope that hon. members will understand that I am not on technical grounds able to find that a question of privilege does exist.

It would sometimes be tempting for the Chair to make a comment on the quality or lack of it of the particular reporting that is involved at any time. However, I ought not to do that, and I shall not. I have also said that remedies of this sort are the same for members as they are for every other citizen and that when these matters do take place, if they go beyond the point of being offensive to the point of being defamatory in a legal sense, certainly members ought to and will I am sure pursue matters through the courts.

On the motion of the hon. member for Peace River, the matter was inspired by a statement attributed to the hon. member for Maisonneuve-Rosemont (Mr. Joyal). The more forceful and useful contributions in support of the motion were in respect of suggestions that the Minister of Transport (Mr. Lang) a few days previously had demonstrated the truth of the fears expressed in the proposition by intervening to suppress publication in two newspapers at least of an unfavourable feature article about himself which appeared in a weekend supplement.

In his contribution to the argument the minister conceded that he considered the article to be offensive and that indeed the newspapers were advised a few days before the scheduled publication by his solicitors that if it was their intention to carry the article in the regular weekend supplement an injunction would be sought to restrain them. The newspapers did not carry the article.

● (1540)

I have consistently taken the position in respect of members' complaints about reporting, as I have just said, that the remedy is indeed in the courts. How can I then find that it would be a matter of privilege for an hon. member to indicate, as was the situation with the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), if it is his intention to pursue that remedy. It is a rather happy coincidence, I suppose, for our efforts to untangle this complex problem, that the hon. member for Burnaby-Richmond-Delta indicated that it was his intention now to pursue the matter in the courts, but that prior to publication he had attended with his solicitors upon the CBC, to indicate to them that if they confirmed their intention to carry the segment, he would be considering taking some action to restrain them. In fact, he says that he was informed it would not be carried, which I am sure will probably be the subject of some of his argument in the courts.

In any event he attended with his solicitors to make that indication, which is precisely what the Minister of Transport (Mr. Lang) did. If I say that members must pursue these matters in the courts the same as any other citizen, should a member not do so, or should he not, having the right to do so, advise in advance of his intention to do it? However, he must do it in the proper manner.

In respect of the Minister of Transport it was suggested that because he is a minister of the Crown, his attempts to do this would carry with them the threat of pressure exerted by the government or influence exerted by the government. In the circumstances I am not able to agree. I cannot find in the motion put forward by the hon. member for Peace River (Mr. Baldwin) or in any other contributions on the subject that, in fact, there is even an allegation, indication or evidence of any undue influence exercised by the minister. If that were to be the suggestion or content of the motion, the matter might be subject to a different interpretation in future circumstances. But in these circumstances the minister interjected, and of course the House takes his word, that his approach to these newspapers was properly carried out through his solicitor, and the indication was that if the newspapers proceeded to or intended to carry the material, the minister would seek a legal remedy in the courts. I cannot find, surely, that the right to seek such remedies is different as between one member and another.

I do concede, of course, that the standard of conduct in exercising the remedy, which is the right of every member, is probably higher in a minister than it is in another member, for the obvious reason that the connotation of government pressure, as was argued extensively, is always present. Whether it is theoretical or real is not the point. The appearance of it is always there. I say, therefore, that there is no differentiation in the application of the basic principle as between the minister and any other member. The principle does not deprive the minister of the rights he enjoys or any other member or citizen enjoys, but it imposes on the minister in the exercise of his legal right a standard of conduct which is higher than that of members, and certainly higher than that of other citizens. However, on the information before me in this argument I have no indication showing that the minister did not adhere to that especially high standard of conduct, and I have not heard any member make any suggestion to that effect. Therefore, having said that other members ought to pursue their remedies in the courts, and having said that I find the minister must exercise great care in so doing, I say there is no indication that he did not do so in the case and I cannot see the point as making any contribution to the argument on privilege.

In any case, I think even the most enthusiastic supporters of the motion proposed by the hon. member for Peace River realize that it envisages a general program or intention on the part of the government to somehow interfere in the relationship between this House and the freedom of the press. Although it envisages a general standard of conduct, I suggest that not even the most severe critics of the minister would ever suggest that this, in the circumstances, was anything but an isolated incident, and was connected in any way with any kind of general program. Therefore I say the minister's action was not improper and in any case does not make a contribution to the argument on privilege, in these particular circumstances relating to this motion.

The hon. member for Maisonneuve-Rosemont (Mr. Joyal) was listened to carefully in respect of his statements which

gave rise to the question of privilege raised by the hon. member for Peace River. I heard him warn about the dangers inherent in certain legislative provisions before the House, in so far as they might somehow restrain the proper freedom or independence of the press in our country. I do not know I can do other than conclude that his remarks initially, and certainly as he explained them in this House, constitute a contribution to the debate in respect of these particular legislative measures.

If it is true, as he alleges, that there is some danger in the purport or intent of these legislative measures, surely the remedy is for the House to debate them, vote against them, expose them to public view, and use every other remedy available to members by way of amendments or otherwise, and so attack those particular legislative provisions. I cannot find that the matter goes beyond an attack on the legislative provisions themselves, and should be argued in the usual way in debate. I cannot find that it has about it that special aspect of privilege which, after all, differentiates a substantive motion, which has this one particular characteristic: If a matter raised by way of what is normally a substantive motion has inherent in it something which affects the privileges of members in the House, in the narrow sense I have defined, it takes priority over other business, can be put by the member without prior notice, and is given priority, because it touches on privilege.

In the circumstances the Chair must always decide this: Is this the substance of a substantive motion, in ordinary terms, or is it privilege? If it is privilege, it is given priority. If it is not it may be treated—if I may be permitted the observation—in the way this motion might very well have been treated, as an ideal one for an allotted day, or perhaps in other ways in which motions can be brought forward by private members. It is, in other words, a substantive motion and not, in my opinion, a motion which touches privilege.

The motion of the hon. member for Vancouver-Kingsway (Mrs. Holt) contains, on the face of it, all, if not almost all, the elements of privilege, and is supported by clear precedent in the British House of Commons. It contains elements of interference with the work of members in their committee, because it relates to the publication prematurely of a subcommittee document in preparation for a committee report. It prejudices, I think, the secure identity of witnesses and people who co-operated with the committee. It prejudiced in that way probably the work of future committees, with respect to the kind of co-operation we hope our House of Commons committees will secure. There is no doubt that in the United Kingdom the matter would be dealt with as privilege.

I point out to hon. members that it would be dealt with in the United Kingdom as privilege because of a specific resolution of that House which says that the premature publication of confidential committee reports before they have been tabled in the House will be treated as privilege. Our House has never taken that step. I think there are probably a number of good reasons why we have never done that, but we may want to and I think we ought to consider carefully some of the difficulties which face us here. For instance, I am concerned because the motion in this case indicates an attack upon the press for the publication of a confidential document. Of course, it attacks the press because the press has published the document, and that publication is a fact which speaks for itself and needs no further argument to establish it.

It concerns me, however, that the motion appears to attack the press for publishing a confidential document but does not attack ourselves as members of the House for our own attitude in respect of our own confidential documents. Since it misses that point it misses something I think most important with respect to the privileges of the House. I do not accuse. I simply ask are we prepared to concede that we ought to go to a committee of this House and ask it to examine the conduct of outsiders without asking it to examine our own conduct in this regard? It may be accidental. It may be the result of negligence; it may be a deliberate release by one of the members, or by any member of the staff. How can we attempt to inquire into those who publish the document unless we are prepared to inquire into our own conduct? And if and when we inquire into our own conduct, would we not ask ourselves this: Does this committee have a mandate to inquire into the conduct of members, upon this kind of motion? I would say, no, but it certainly should. And if it does this, should there be specific allegations, as we have said in the past, about misconduct by a member, a staff person, or others? I do not know. However, I am concerned in case we would appear to embark upon one kind of inquiry without embarking on the other, and we could not undertake an inquiry into the conduct of members, I suggest, without a proper and specific mandate.

The result of this practice in the United Kingdom, where such matters have consistently been treated as privilege, is this: The committee reports back to the House that the publication has taken place, that the publication is premature, and that it therefore offends the privileges of the House, something we already know, I suggest. The House usually debates the matter and finds that no penalty should be exacted. I wonder, before we take one step in the direction of that procedure, if we want to be led in that direction. Perhaps we do. I suggest that, in the circumstances we should answer some of these questions before we attempt to deal with this matter as an absolute matter of privilege in every case.

● (1550)

While the hon. member's motion suggested that the matter be referred to the Standing Committee on Privileges and Elections, I hope that if she and the House will agree with me we will perhaps be well advised to refer this matter instead to the rather excellent work of the committee on rights and immunities of members which, as I have said many times in the past, was inspired in its creation by the hon. member for Peace River (Mr. Baldwin) who was the author of one of these motions.

I hope that committee will make specific reference to the circumstances of this case and, in reporting to the House, analyse some of these problems that I have referred to here,

making specific reference to this particular case in its report to the House with recommendations as to how the House ought to treat the question of premature publication of documents, including all of the difficulties about whether it ought to amount to an inquiry into the conduct of members, whether it should be treated automatically, whether the House should pass a resolution similar to that passed in the United Kingdom and the difficulties that the House might experience in that regard.

I would find technically that until those inquiries or problems are cleared up that I would not hold the matter to be a matter of privilege that would be sent to the Standing Committee on Privileges and Elections, and therefore set that aside. However, I think I ought to ask the House now if it would give its consent to take that motion and refer it at this moment to the special committee of the House on rights and immunities with the express mandate that it clarify the problems that I have indicated and report back to the House on this one specific reference to this one problem which was raised by the hon. member for Vancouver-Kingsway (Mrs. Holt).

Some hon. Members: Agreed.

Mr. Speaker: If I sense that I have the consent of the House to do so, it will be so ordered.

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for St. John's East (Mr. McGrath) yesterday raised by way of a point of order the question of tabling of documents. With respect, I think the point lacks some precision. I wonder if the hon. member might agree that I treat it as a notice of an intention to raise a point of order by him so that perhaps one day next week it can be argued in greater detail.

I have attempted to pull together the references. There is some lack of clarity as to whether or not reference is being made to documents referred to by the Solicitor General (Mr. Fox) or perhaps by the Minister of Supply and Services (Mr. Goyer) on different days. In both cases the ministers treated the documents referred to somewhat differently and I think different precedents would apply.

I therefore ask the hon. member if he will examine the references that I have here, with which I will be glad to provide him, and perhaps give some indication to the government of an intention on an agreed upon date next week to argue the point so that I can have a little more precision on it. I would like to have a little more precise argument before making a decision on that matter, if that is agreeable.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-26, an act respecting the organization of certain scientific activities of the government of Canada, with an amendment, to which the concurrence of this House is desired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Pursuant to our procedures for this month, I wish to inform the House that the questions to be raised at six o'clock p.m. are as follows: the hon. member for Parry Sound (Mr. Darling)—Customs—effect on tourist trade of allegedly unreasonable taxing of United States citizens; the hon. member for Surrey-White Rock (Mr. Friesen)—Royal Canadian Mounted Police—investigation of operations of Bank of Montreal in Vancouver—request for report; the hon. member for Lisgar (Mr. Murta)—Consumer Affairs—possibility of establishing food policy council to consider national food policy.

Mr. Lambert (Edmonton West): Mr. Speaker, I apologize I did not raise this earlier, but you were on your feet and it is not proper for us when you are on your feet to make a request.

As a point of clarification and elucidation for the House, possibly there should be an amendment of the order of the House on the point to which you alluded. In view of the fact that we are approaching the end of this session, possibly that committee should be empowered to continue on into the next session, notwithstanding that it would not have completed its work. The House has the power to give it that authority. If unfortunately this session prorogued, there would have to be a further reference to the committee. The House could dispense with that at the present time if the order of the House were amended to the extent that the committee shall continue on beyond the present session until it shall have reported.

Mr. Blais: Mr. Speaker, if that suggestion is in order, we have no objection. However, I was under the impression that a reference died with a session. We could give the undertaking to renew the same terms of reference in the new session which would have the same effect.

Mr. Speaker: The undertaking of the minister, I am sure, is more than enough in the circumstances. I might say that committee has reported to the House on matters and suggestions *sub judice*. It has now under review the very important matter of changes in the rights and immunities of members with respect to television and radio broadcasting of the House and will go on to consider many other problems relating to special rights and immunities. I express now the clear understanding that that committee will be carrying on its work for quite some time. I am sure it will be expected that when the session ends, as the minister has indicated, that its mandate will be renewed. Orders of the day.

Employment and Immigration

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION ETC.

The House resumed consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I intended to make a very short comment, but if the hon. member for Northumberland-Miramichi (Mr. Dionne) wants me to speak for 20 minutes, I will try.

Mr. Hnatyshyn: Don't provoke him.

Mr. Nystrom: It is only when I get provoked. Before the lunch hour, I was speaking briefly on the last motion before the House. I was complaining about what I thought was a real discrimination against people coming from rural areas such as in my constituency where some people have been forced to lie to the Unemployment Insurance Commission in order to receive benefits. I was saying that I have had a lot of experience with that.

When I went to my office over the lunch hour, there was a telephone message waiting for me. The MLA in the Pelly constituency in my riding, Norman Lusney, who was elected on June 8 in a by-election victory by the NDP where he received nearly 50 per cent of the votes, had a particular case for me involving a man named Edward Wasylkowski. This gentleman had seen me during the by-election campaign about an unemployment insurance problem he was having. He had worked in a refinery in the town of Kamsack for 20 or more years. I use this as a specific example of what I was talking about. The refinery closed and obviously he lost his job. This is a very honest man, 58 years old. He has a house in the town of Kamsack. His family and friends live in and around Kamsack. He was honest with the Unemployment Insurance Commission. He told them at his age, with his family conditions and so on that it would be very difficult for him to move out of the Kamsack area to get a job. He could not really pull up his roots and move to Regina, Saskatoon, Winnipeg or elsewhere.

This gentleman is willing to work at absolutely anything in the Kamsack area. He has been looking very hard for a job. He told me of some of the places he was at seeking employment. This man was cut off unemployment insurance benefits. The Unemployment Insurance Commission said he was restricting his search for employment by not being willing to go outside the town in which he lives. I advised him to appeal the case. The appeal was heard a few days ago in Regina. He lost the appeal because he was limited in search of a job. The call I received from Norm Lusney on his behalf at two o'clock this afternoon is a specific example of what happens in a rural constituency. If Mr. Wasylkowski lived in Regina, Saskatoon, Winnipeg or elsewhere, there would be no problem.

Kamsack has a population of 3,500 people. It is a huge farm service centre. There are many villages around it. It serves between 10,000 and 15,000 people in that part of the province. It will be seen that I am not talking about a little village with a couple of hundred people. This is a fairly major town in Saskatchewan. This man is being penalized because he lives in Kamsack instead of Regina or Toronto. He is not able to draw unemployment insurance benefits which he would be able to draw if he lived in one of those cities. He is being penalized for being honest. He is a very honest and decent man. If he had said to the Unemployment Insurance Commission a few weeks ago that he was willing to work anywhere, he would have received his unemployment insurance benefits. The chances are he would not have found a job anywhere. He could have stayed in Kamsack, anyway, and drawn benefits. Just because he would have been able to mislead someone, he would have received benefits.

• (1600)

That is a terrible position to put people in, to force them to be dishonest, to try to tear people's consciences apart. I could go back through my files and find example after example of this type of case. As I said, this one just happened to come to my attention at two o'clock this afternoon. Later on I shall send the minister details of this case and appeal to him personally to try to get Mr. Wasylkowski back on unemployment insurance benefits, because he is still trying to locate work. The MLA, who is doing his job very well; he is trying to find this man temporary employment in a park nearby. Sometimes the Liberal party wonders why Canadians in certain areas are very cynical about them. I think in particular of areas such as the north, western Canada, rural Canada. I would say this is one of the areas. In the recent by-election in the town of Kamsack the NDP received some 55 per cent of the votes. The Liberal party fell from second place to a bad third place, and I doubt it will do any better than that in the foreseeable future.

The motion before us today also perturbs me as I look at it from the rural point of view. There are to be various scales for determining the benefit period for people who are unemployed. The country is to be divided into 54 different regions with regard to the Unemployment Insurance Act, and the length of time a person will benefit from unemployment insurance will depend upon the unemployment rate within each of these areas. I come from an area which has a very low unemployment rate—roughly 4 per cent. Part of the reason for this figure is that treaty Indians living on reserves are not counted when calculating the figure. In the past, for a major attachment, persons could claim unemployment insurance benefits, if my understanding is correct, for some 51 weeks if they had worked for at least 20 weeks. This is to be changed under the terms of the legislation before us. It is to be brought down to

50 weeks from 51 weeks for the person who is qualified to claim the maximum, that is, a person who has worked for 26 weeks and who lives in a high unemployment area such as the province of Newfoundland.

However, how is someone who lives in my constituency to be affected, where the unemployment rate is very low? My understanding is that such a person would get a lot less from unemployment insurance than he received in the past. As I read the legislation, I see that with a regional unemployment rate of 6 per cent or less, the weeks of insurable employment in the qualifying period will be 14. That is all—fourteen weeks. I therefore assume that for someone in my constituency to get those 14 weeks he would probably have to work 14 weeks because he comes from a very low unemployment area. So you have to work for 14 weeks in order to qualify for 14 weeks' unemployment insurance benefits. If I am wrong, I hope the minister, in his reply, will comment on this matter, because I am led to believe that those unfortunate enough to be unemployed, such as Mr. Wasylkowski and his co-workers employed at the refinery, would only receive a few weeks of unemployment insurance benefits. I do not think that is very fair at all. It is something which I think will balkanize Canada instead of bringing it closer together.

The unemployment insurance program is one to which everyone who is employed contributes on an equal basis, and therefore should be entitled to receive benefits from it on an equal basis. The motion we are talking about today affects a lot of Canadians in a very negative sense. I wish to give a few illustrations of what I mean. Take the province of Nova Scotia. In Nova Scotia the unemployment rate is, I believe, 13.2 per cent. It is very high. I wonder what the Liberals in Nova Scotia think about this amendment to the Unemployment Insurance Act. I find that under the existing act, the one the government now wishes to amend, someone who worked for eight weeks could receive benefits for 44 weeks. Under Bill C-27, the bill before us today, and the amended version of Bill C-27 which the minister is talking about in the House, the same person would not receive benefits for 44 weeks; that person would receive benefits for no time at all. He would not receive any benefits; and this despite the fact that such a person could come from Nova Scotia, a province with a very high unemployment rate, and in spite of the fact that this measure is supposed to favour regions which have very high unemployment rates and discriminate against regions like my own which have a very low unemployment rate.

Again, in Nova Scotia, if a person works for ten weeks, under the present act he qualifies for 44 weeks of benefits. Under Bill C-27 he will be cut off entirely. But thanks to members like my hon. friend from Nickel Belt (Mr. Rodriguez) who decided to raise a lot of hell about this issue and who really fought hard on it, we have some minor amendments which will help some people in Nova Scotia.

Mr. Rodriguez: Not enough.

Mr. Nystrom: I know it is not enough. The hon. member for Nickel Belt is still very upset. But if the hon. member had some help from the hon. member for Northumberland-Miramichi (Mr. Dionne) then perhaps the act would be improved instead of becoming worse than it is. But the hon. member for Northumberland-Miramichi, New Brunswick, with an unemployment rate of probably 20 per cent or 30 per cent, is defending these changes in the Unemployment Insurance Act. He is not getting up and fighting for the unemployed in his constituency. I think that is an utter shame. People in his riding should know where he stands. They should know that he fails to stand by their side and stands instead on the side of bad policies and big corporations; that he will not get up here and fight for the unemployed in his region.

It is about time people in the constituencies realized where their members of parliament stand. If he had been standing up in the House like the hon. member for Nickel Belt, we would have had amendments to the act which would have preserved the rights which the unemployed in this country deserve. Because of a fight led by the hon. member for Nickel Belt, the minister has been forced to bring in amendments. Thus, a person who works for ten weeks in Nova Scotia, instead of receiving no benefits at all will get benefits for 42 weeks instead of 44. It is not as good as it was, but still it is better than it would have been under the original ideas of the minister from Sarnia, the Minister of Manpower and Immigration (Mr. Cullen).

Taking the same example of a person in Nova Scotia, if that person worked for 20 weeks and suddenly became unemployed, he would qualify for 51 weeks of benefit under the present act, the one which is being amended today. But under Bill C-27 that person would have had his benefit period cut back to 40 weeks. Because of the fight put up by the hon. member for Nickel Belt—the credit really has to go to him—that person will now qualify, under the amendment, for 50 weeks of benefits.

I keep bringing in the name of the hon. member for Nickel Belt because I know that members of the Conservative party have long been in favour of tightening up the Unemployment Insurance Act. I remember the members of the Conservative party in the 1972 campaign chastising the government—the former minister, Bryce Mackasey—for running a loose show, for letting people take advantage of the Unemployment Insurance Act. They want to lengthen the qualifying period a person has to work before he can claim benefits. The Conservative party initiated the tightening up of the Unemployment Insurance Act. We now have some of them going into high unemployment regions like Atlantic Canada. I was in Verdun for the by-election campaign and heard them criticizing the government for tightening up the act. I suggest that the members of the Conservative party are real hypocrites.

• (1610)

The hon. member for Nickel Belt has brought forward decent amendments to this legislation and he, with the support of a few members in the committee, but under his leadership, forced the government to back down. I should like the Conservative members to stand up in this House and do some

fighting like the hon. member for Nickel Belt. Let me give the House another example.

Mr. Rodriguez: Tell them about Vancouver.

Mr. Nystrom: Yes, perhaps I should. I do not see any Vancouverites in the Conservative party in the House; they do not seem to be very concerned about this act. Vancouver has an unemployment rate of 8.5 per cent. If someone worked for eight weeks, he would be able to receive benefits for 26 weeks. However, under Bill C-27 he would receive no benefits at all. Even the hon. member for Nickel Belt could not persuade the minister to give such people any benefits. Probably no members of the Conservative party from Vancouver give a damn about the unemployed in Vancouver, because he had no support at all from government members from the maritimes. They just did not care about this bill; they left the fight to the hon. member for Nickel Belt on behalf of our party.

A worker in the city of Vancouver who is laid off after ten weeks of work will qualify for 26 weeks of unemployment insurance benefits under the present act. Under Bill C-27, or under the act as amended, that person would not get any benefits. Where does the Conservative party stand on this? They stand four square behind their friends in the Liberal party.

Mr. Rodriguez: They are taking the credit for this bill.

Mr. Nystrom: They are part of a little club. As the hon. member for Nickel Belt says, thay are probably taking credit for this type of amendment, as they do when they knock on some doors that I know of in the province of Saskatchewan.

Mr. Hnatyshyn: The expert on Conservatives and Liberals.

Mr. Nystrom: I have become an expert on the Liberals and the Conservatives because I have fought them for years in my riding. If the hon. member for Saskatoon-Biggar does not know what I mean, I invite him to think back to a few weeks ago when the two of us campaigned in the Pelly by-election. That was a by-election where the Conservative and Liberal parties threw in everything they had—

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member get back to the motion under discussion.

Mr. Nystrom: I would love to, Mr. Speaker, but I was just responding to the very intelligent question asked by the hon. member for Saskatoon-Biggar who had forgotten that we received 50 per cent of the vote in the Pelly by-election. In any event, as a result of that by-election there are now probably some unemployed Liberal and Conservative party organizers, and if they move out to Vancouver they are going to have some problems. As I was saying, a person who works for 20 weeks in Vancouver and then becomes unemployed would receive benefits for 35 weeks under the act. When Bill C-27 goes through, he will receive benefits for 38 weeks. That is a minor improvement, but again it is probably due to the hard work of the members of our party at committee stage. It is certainly not due to the work of members of the Liberal party.

[Mr. Nystrom.]

Mr. Dionne (Northumberland-Miramichi): Just take a look at the amendments which have been presented by the government.

Mr. Nystrom: I am informed, Mr. Speaker, that the hon. member for Northumberland-Miramichi was only at one meeting. I find that unbelievable, but if it is true it is an absolute disgrace when he has 30 per cent of the people in his riding unemployed. Since I have been in the House the last few hours talking on this bill, he has been heckling our party, contending that the act is a darned good one as amended by the minister. He has been running interference for the minister in the House, suggesting that the unemployed should have their knuckles rapped, that they are abusing the system. It is a disgusting thing for a member who comes from an area where 30 per cent of the people are unemployed.

You can tell when the popularity of the Liberal party goes up in the public opinion polls; all of a sudden they become very smug and arrogant and start doing things to ordinary people. There are words I can use, but which I cannot use in parliament, to describe what they do to ordinary people when their party support rises in the public opinion polls. They have lost their sensitivity and are forgetting that the unemployed are people who need help and benefits. They do not care. I hear the hon. member from Toronto interjecting. He may not have any unemployed in his riding. He would not understand what an unemployed person looked like if he ran into one in a back alley. I am referring to the hon. member for—York Centre, is it?

Mr. Kaplan: Yes, York Centre.

Mr. Rodriguez: He is over at the Rideau Club at all the time. There are no unemployed people over there.

Mr. Nystrom: He is back from the Rideau Club now. I understand that members of the Liberal party from eastern Quebec and the Atlantic provinces have received submissions and complaints from their constituents about how this bill which amends the Unemployment Insurance Act is hurting them. But they have not responded at all to the wishes of their constituents. If the Liberal party members had any sensitivity at all, they would be withdrawing the amendments they have made to the Unemployment Insurance Act.

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I did not intend to participate in this debate today, but the hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Nickel Belt (Mr. Rodriguez) have been talking so fast and loose that a few facts have to be put on the record. It would serve them well to sit down and listen for a few minutes so

they could learn the difference between fact and fiction. We have had the two greatest fiction writers in this House talking here all day, Mr. Speaker. Not only do they take credit for amendments to this bill with which they had nothing to do, but they take it upon themselves to try to discredit other members of the House for not attending committees of which they are not members. That, Mr. Speaker, from a party whose members are almost always consistently absent from this chamber. If it were not for their own House leader, on more days than not they would not even be represented in this chamber.

When Bill C-27 was introduced—and I admit without reservation that it was an attempt on the part of the minister to reduce the cases of abuse in our unemployment system—there were some members on this side of the House as well as the self-righteous socialists yonder who found the bill unacceptable. I must say that there were some members of the official opposition, too, who found the bill unacceptable. It was through the efforts, primarily of the members of the Atlantic Liberal caucus, that the substantive amendments to this bill were brought about. I say that because over a fairly lengthy period we met with the minister, who showed an extreme willingness to consult and co-operate with us, learning from us what the difficulties would be when this bill is passed.

Mr. Rodriguez: Did you see it before it was introduced?

Mr. Dionne (Northumberland-Miramichi): What is the matter over there? Can't you take the truth? Just sit down and listen.

The Acting Speaker (Mr. Turner): Order. The parliamentary secretary will please address the Chair. The parliamentary secretary has the floor for the purpose of making a speech, and I suggest we all listen.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): Thank you very much, Mr. Speaker. I hope the members of the NDP will take that advice; they may become more enlightened. It was my colleague, the hon. member for Gloucester (Mr. Breau), who brought about many of the amendments which are present in this bill today and which we now find acceptable in Atlantic Canada.

• (1620)

The hon. member for Yorkton-Melville is correct when he says there is a high rate of unemployment in my constituency. There is also a concerted effort by this government to overcome that situation. Hon. members opposite consistently find it convenient to ignore the job-creation programs of this government, to ignore the vast increase there has been in the number of people entering the labour force in this country, and to forget that the number of jobs being created on an annual basis is increasing every year and has increased substantially in this decade over the previous decade. Facts do not mean that much to them; they are more interested in fiction.

There is an important principle enunciated in this bill. The principle was given some force in the budget. It is the principle that in this country not all regions experience the same kind of economic opportunity. The budget and this bill proceed to deal with that disparity in economic opportunity. That is why there has been a differentiation of the qualifying period for unemployment insurance benefits across the country. The New Democratic Party would like to treat unemployment insurance as insurance to remain unemployed. It should be insurance against loss of employment income, and that is what the minister is trying to make it. They profess to be the experts on Atlantic Canada, but they should look at the success of their party over the years in that part of the country. This morning the hon. member for Nickel Belt consistently referred to Atlantic Canada and Newfoundland. He knows so little about us that he does not even know Newfoundland is part of Atlantic Canada.

Mr. Rodriguez: We know about golf courses in Newfoundland.

Mr. Dionne (Northumberland-Miramichi): You probably know about golf courses everywhere, because that is where you spend your time. You certainly do not spend your time here. The ten week qualifying period can be lived with.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. The hon. member who has the floor made comments concerning me spending my time on golf courses. I have played golf once in my life. It was nine holes. I lost four balls and it took me 186 strokes to finish the course. He is not right when he says that I spend my time there. I spend my time in the Standing Committee on Labour, Manpower and Immmigration trying to filibuster a bill on unemployment insurance which is rotten, terrible and atrocious for the unemployed people in this country. I should like to suggest that that is where he ought to be.

The Acting Speaker (Mr. Turner): Order. I should suggest to the hon. member that that is not a point of order; it is a point of debate.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, we now know the hon. member for Nickel Belt has played at least one more game of golf than I have, and we also know what is wrong with him.

We can now live with the qualifying periods set out in Bill C-27. Through consultation with the minister and his officials, and primarily through the efforts of the minister, we have brought about sufficient changes in both the qualifying and the benefit structure periods of this bill in order that those of us who represent economically distressed areas of Atlantic Canada will have no difficulty living with it. It will go a long way toward bringing attention to the fact that in this country there are varying levels of economic opportunity. Those with lesser economic opportunity deserve special consideration from the government of Canada. It would also help if some of the provincial governments would turn some of their attention to the areas of economic distress in their own provinces.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): It should be brought to the attention of hon. members that this motion, No. 11, if passed, dispenses with motion No. 30. Is it the pleasure of the House to adopt the said motion?

Some hon. Members Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed to the motion will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

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

The House will now move to motion No. 15. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner): It should be brought to the attention of hon. members that this motion, if passed, will carry with it motions Nos. 29 and 32. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed to the motion will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the yeas have it.

And more than five members having risen:

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

The Chair has serious reservations about the procedural acceptability of motion No. 12 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez). This motion does not seem to be relevant to clause 38 of the bill. It seems to go beyond the scope of the clause which it seeks to amend. I refer to May's at page 521. Therefore, this motion is rejected on two points: one, it goes beyond the scope of the clause it seeks to amend and, two, it should have been brought in as a separate clause, but then it would not have been accepted because it puts a burden on the treasury. Therefore, the Chair rejects motion No. 12.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe the Chair indicated earlier that it would listen to argument on the procedural point. I think that should happen before the Chair rules.

Mr. Cullen: Mr. Speaker, if it will assist the Chair, we have no objection to the argument being put.

● (1630)

The Acting Speaker (Mr. Turner): I was under the impression that Mr. Speaker had listened to the discussion on the procedural point and to objections raised by hon. members. That is why I made my ruling. However, if hon. members wish to continue speaking on the procedural acceptability of the motion, I am willing to listen.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. On June 21, Mr. Speaker said the following in respect of the motions on the order paper:

> When we come to motion No. 12 in the name of the hon. member for Nickel Belt, I think we should have a discussion on its procedural acceptability, because I have some difficulty regarding the relevance of the motion to clause 38 of the bill which it seeks to amend.

I do not know how to proceed now that the decision has been made without the discussion having taken place, but I hope that my persuasive approach might convince you, Mr. Speaker, not to make the ruling that you said you will make. This particular motion amends clause 38 of Bill C-27. Clause 38 opens up section 25 of the act which deals with pregnancy benefits. Since Bill C-27 opens up section 25 of the act, all I did in the amendment was to amend the section.

One has to assume, with respect to the ruling which you will make after we have had the discussion on the motion, that we are involved in proposing an expenditure of money. I think that, biologically speaking, all women who work and who pay into the unemployment insurance fund should be able to take advantage of the provisions of the act, in particular the maternity benefits.

An hon. Member: Why not the men?

Mr. Rodriguez: That is a question we are not discussing here. The fact is that there is a provision for maternity benefits under the act. When a woman starts to work and pays into the unemployment insurance fund, one has to assume that at some point in time she might become eligible for benefits under the relevant section of the act. In line with that thinking, we are not urging any expenditure of money but are, in fact, ensuring that the discrimination which presently exists in the act with respect to women who are not fortunate enough to be able to bear children because they cannot become pregnant, or their spouses are unable to impregnate them, but who adopt chil-

dren, be eradicated and that these women be eligible for the eight-week benefit.

My motion is in response to many letters and appeals from women across the country who have adopted or wish to adopt children. The criterion for adoption, under the rules of various children's aid societies, as is the case in Ontario, is that in the period of time prior to the child coming into the home the mother must quit work and be in the home, as well as for the first two weeks after the child has arrived in the home. So, in effect, this is a similar situation to the confinement period of the mother who bears a child. I feel, as do the women who have written to me, that the same confinement period should be granted to women adopting children just as it is to women who bear a child.

We argue that there is no question of expending money under the motion. These people have paid the premiums and they should be able to draw the benefits. All we argue is that they be given the opportunity to draw them. I am sure that in the actuarial figures and in the projections which the Unemployment Insurance Commission makes with regard to premiums and the payment of benefits, the commission must make certain assumptions, such as that women—they know the percentage of the insured work force—who pay premiums might at some time wish to draw benefits under the Unemployment Insurance Act. Basically, that is the argument we put forward before Your Honour, in the hope that the decision which was written for you before we had the discussion and put forward the argument will be withdrawn. How is that? I am not even a lawyer.

The Acting Speaker (Mr. Turner): I have listened very carefully to the argument put forward by the hon. member for Nickel Belt, but my opinion is not changed, because the motion goes beyond the scope of the bill since it does not seek to amend any part of the bill, but section 30 of the act.

Mr. Alexander: It was a weak argument, at that.

The Acting Speaker (Mr. Turner): I would like to refer hon. members to the citation found in May's at page 521. It could be argued, also, that motion No. 12 would entail additional expenditures from the public treasury and, therefore, should be accompanied by a royal recommendation, which only a minister of the Crown can obtain. With regret, therefore, I must rule that motion No. 12 is not acceptable from a procedural point of view.

Mr. Cullen: Mr. Speaker, while we are on this subject, and given your eloquence—I certainly agree most assuredly with your conclusions—let me remind you, sir, that Mr. Speaker had also suggested that motions Nos. 19, 27, 28 and 33 standing in my name went beyond the scope of the bill. One of those amendments arose as a result of a question raised by the hon. member for Hamilton West (Mr. Alexander) having to do with the minister, rather than the commission, deciding what confidential information might be made available. The reason I am rising at this time is that perhaps the hon. member for Hamilton West will later be able to seek the unanimous consent of the House to move that motion, but in so far as I am concerned, I am prepared to drop motions Nos. 19, 27, 28 and 33.

The Acting Speaker (Mr. Turner): Order, please. It is my understanding that motions Nos. 19, 27, 28 and 33 standing in the name of the minister will be dropped. Is that agreed?

Some hon. Members: Agreed.

Mr. Alexander: Reluctantly, I must agree with what Your Honour has just ruled, but I would appreciate it if Your Honour would keep in mind the comments of the minister regarding motion No. 27. I will try to seek the unanimous consent of the House to move that motion when we arrive at that point. Let me explain this. It was left up to the commission to distribute any information, written or oral, to any person within the department. I found that satisfactory. The offensive words were "to any other persons as they deem necessary".

• (1640)

Perhaps this information should have gone to other persons. Perhaps it should have been under the guidance and counselling of the minister because there could have been abuses. I am not saying there were; I have no reason for saying so. But in order to see to it that there is some control, I think hon. members from both sides of the House would appreciate there being some ministerial accounting in this matter. Therefore, in due course I will move an amendment, having given hon. members the opportunity to think about this so they can stand up and support me later.

The Acting Speaker (Mr. Turner): Order, please. I propose that motions Nos. 13, 14, 16, 17 and 18 be grouped for the purpose of debate, but that the question should be put separately on motions Nos. 13, 14 and 18. Then I propose that the question be put on motion No. 17. An affirmative vote would dispose of motion No. 16. However, if motion No. 17 is negatived, then I propose that the question on motion No. 16 be put.

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. Orlikow) moved motion No. 13:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41 by striking out line 14 at page 18 and substituting the following therefor:

"sections 34 to 37 of the said act are repealed."

Mr. Cyril Symes (Sault Ste. Marie) moved motion No. 14:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41 by striking out line 17 at page 18 and substituting the following therefor:

"than twenty weeks of insurable".

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 16:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41, by striking out lines 35 to 43 at page 19 and lines 1 to 47 at page 20.

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. Leggatt) moved motion No. 17:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41 by striking out lines 35 to 43 at page 19, lines 1 to 47 at page 20, lines 1 to 42 at page 21, lines 1 to 42 at page 22, lines 1 to 45 at page 23 and lines 1 to 6 at page 24.

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 18:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 41 by adding immediately after line 32 at page 22, the following new subclause:

"(12) provided that within one year from the proclamation of this act, the minister shall cause to be laid before parliament by way of ministerial statement, a definitive evaluation report on the said job creation proposal".

Mr. John Rodriguez (Nickel Belt): Mr. Speaker—

Mr. Dionne (Northumberland-Miramichi): Dispense.

Mr. Rodriguez: I notice that there has been a shift in the seating arrangements across the floor. I think by now the minister and the House are well aware that we object to changing the extended benefit period, in line with the proposals of the minister with regard to establishing 54 regions across the country and setting the length of the benefit period and regional rates in line with that kind of national plan. We object to it because it discriminates against certain regions of the country. Atlantic Canada and especially Newfoundland have staggering rates of unemployment. It seems to me that it does not matter whether a person is unemployed in Toronto or in St. John's, Newfoundland. The effects are the same; they are just as deadly and debilitating. Studies on the unemployed have been carried out in the United States and it has been found that suicide, wife beating, child beating and other offences tend to be numerous among people who are unemployed or who may have a history of long unemployment.

In the debates on these various motions we have pointed out the effects this bill will have on the regions of the country. My riding is in region 21. While the region may have a 6.1 per cent or 6.4 per cent unemployment rate, there are pockets within that region which suffer from devastatingly high rates of unemployment. If the minister is interested in cracking down on people who abuse the unemployment insurance fund, the most effective way of doing that is to enforce the act more effectively than is being done at the moment.

If jobs are available in Atlantic Canada, as pointed out in the study of the Atlantic region carried out by Canada Manpower, in which it stated there are many jobs available, and just a few operations which could not provide at least eight weeks of work, why are the unemployed not being referred to those jobs which are supposed to be available? In January, when we were in St. John's to study unemployment, we went to the Manpower centres and discovered that there were very few jobs posted. We understood that when a job came to the attention of the Manpower office there, it was posted on a bulletin board. The unemployed could go to that board and pick a job in which they were interested or for which they felt they were qualified.

On the day we were there, two jobs were posted on that board. We found that the unemployed in St. John's were trained or retrained, as the case may be. We found that women were being trained to be hairdressers. The hairdressing course was a very popular one. Women were being put on that course, and we found that there were more hairdressers on the market than there were heads to be tended.

I discovered that the same thing was true in my own riding. In my riding, a favourite course is the stationary engineering course. Everybody was being trained to be a stationary engineer. Before we knew it, we had more third-class stationary engineers than we had engines and motors to be stationary engineered! Therefore, we have consistently said that one of the most effective ways to enforce the Unemployment Insurance Act and to eliminate abuses would be to direct unemployed people to the jobs that are available. We have long argued that that is one of the most effective roles in which the Unemployment Insurance Commission and Canada Manpower could cooperate.

● (1650)

Unfortunately, they have developed a system in my riding whereby the Manpower centre is downtown Sudbury and the unemployment insurance office is five miles away in the suburbs. There is no bus service, and it is isolated from any attempt to refer to jobs those who are registered for unemployment insurance and are collecting benefits. We have consistently argued that this is what the visit to the Canada Manpower centre ought to be for, to refer the claimant to a job. If the claimant refuses the job, then a decision is made based on that choice, and from there on there could be a decision on whether it was a justifiable refusal. But we are not doing that. This whole operation is designed to get people off the unemployment insurance rolls, no matter whether jobs are provided or anything is done to stimulate job opportunity.

The hon. member for Northumberland-Miramichi (Mr. Dionne) earlier talked about what a great job this government was doing in creating employment. But this is the same government that eliminated the Opportunities for Youth program and last year cut back on LIP. They claim to be saving $135 million through the changes to this act, but what are they doing with the money? I have grave doubts about whether replacing LIP with Canada Works is a step up the ladder.

One of the so-called progressive ideas offered in this bill is work-sharing. That was very prevalent in the days of the depression. It is not a creative approach to employment, and the government knows it. Then they said if a worker wanted to work on a community project, he would be paid unemployment insurance. No one could call the C.D. Howe Institute a left-wing organization, but it has commented that the only benefit from a training program comes if there is a job at the end. Unfortunately, the training programs available through Manpower produce hairdressers and stationary engineers. It seems to be just an attempt to take people off the unemployment rolls because if they are on a training program they are not counted in the unemployment statistics. Their chance of a job at the end of the course depends on the economic conditions which prevail at the time.

We have consistently pointed out that this is stupid and inhuman. It certainly is not correct to tamper with unemployment insurance through the adjustment of the extended benefit period, to conform to this new approach of regional unemployment across the country. We pointed out, as well, that it is silly to tamper with the minor attachment period because this is a time of very serious unemployment. How cutting people off unemployment insurance is going to help them find a job is beyond me. We know, for example, that there are about 58,000 jobs available at any given time. I think the latest figures show some 58,000 vacancies, but there are one million unemployed. It is fairly obvious that when you start tightening up this law, those people will spill over into community welfare programs. There are communities which can ill-afford to expand their welfare budgets so these people will end up costing the taxpayer a great deal of money.

There is the spectre of young people coming off the work force, and those who depend on working for the summer, not being able to return to school in the fall. These young people will find it difficult to get eight weeks of work, and if they live in a high unemployment area it will be difficult for them to get 14 weeks' work in order to qualify for benefits. The minister and his colleagues, and even hon. members to my right, have said that this is the most generous unemployment insurance program in the world. When we met in committee, the Construction Association and the Canadian Manufacturers' Association appeared there complaining about disincentives.

An hon. Member: They were all Tories.

Mr. Rodriguez: They were palsy-walsy with the Conservatives. Anybody would be friendly with them if the money for their campaign came from those organizations.

Mr. Paproski: I am supported by the little fellow.

Mr. Rodriguez: They claim it is the most generous unemployment insurance scheme in the world. But when we ask for details of how it compares with others, we find they are lacking—

Mr. Hnatyshyn: On a point of order, Mr. Speaker, I know my hon. friend's remarks are important, but I think he inadvertently misled the House. As we all know, the hon. member for Edmonton Centre (Mr. Paproski) and myself are supported by the little person and not by the large, international trade unions.

The Acting Speaker (Mr. Turner): Order, please. It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, pursuant to order made Wednesday, June 22, 1977, namely, private bills, notices of motions (papers) and public bills.

PRIVATE BILLS

[*Translation*]

CONTINENTAL BANK OF CANADA

MEASURE TO CONVERT IAC INTO CHARTERED BANK

Mr. John M. Reid (Kenora-Rainy River) moved that Bill C-1001 to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

[*English*]

The Acting Speaker (Mr. Turner): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Now.

[*Translation*]

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

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, before this bill is read the third time, I should like to make a number of remarks to justify our position which has not changed concerning the powers granted chartered banks under federal legislation. But it would be useful, however, to consider for a while the history of chartered banks in Canada, in order to understand better the points which were made by the movers of this bill, by IAC Limited, which wants to become a chartered bank under the provisions of Bill C-1001.

• (1700)

Mr. Speaker, at the time Canada became a confederation of provinces in 1867—that's quite a few years before our time—the jurisdiction over banks became an area reserved to the federal government. A legislation authorized banks to carry out their operations in all parts of the Canadian territory, and a first permanent legislation governing banking activities was adopted in 1871. Following this, only the Parliament of Canada could authorize the creation of a bank under a special act in line with the new banking legislation.

That is why we continue to claim that anything to do with money is a jurisdiction of the central government, of the Parliament of Canada, and I feel it is normal that we should insist on this because it is becoming an ever more topical question—Canadians are increasingly interested in this—and because politicians sometimes infer that any province can legislate in this area and this must be accepted by all Canadians. This procedure to obtain a charter is always in force. It has not changed since the 1871 legislation was passed. However, the process of incorporation of a bank is long and complicated. That does not mean that it is a complicated, incomprehensible thing. It is people who complicate it to keep as many Canadians as possible away from knowing about bank operations.

The founding members of a commercial bank must introduce a petition to the Canadian Parliament to obtain a charter. This is the first step. The minimum required capital stock is $1 million. Each share must have a par value of $1 or a multiple of $1, up to $10. There must be at least five temporary directors, and each one must hold a given number of shares in his own name. The bill as it now stands contained a provision, amended later and agreed to by the Standing Committee on Finance, Trade and Economic Affairs.

After the charter has been granted, which requires a special act of the federal government, the shares of the bank are issued. We are discussing the special act of Parliament, Parliament is exercising its power, its authority, and it is good to consider whether it is really to the advantage of Canada to have a new chartered bank. Is it true this will stimulate competition? Will Canadians be better served? Will interest rates go down? Will governments be able to get loans at better conditions and at lower interest rates than now? Parliament must give special attention to all those points. For me, if I judge by the information I have and the research I have done, when many years ago, in 1924, Canada had 13 banks and 8,081 branches, competition was not greater than it is now.

Chartered banks have an association called the Canadian Bankers Association and are subject to the same laws since there is no special law for the Canadian Bank of Commerce nor any special one for the Bank of Montreal. The same law applies to all banks, all of them must work the same way, just as the caisses populaires in the province of Quebec are subject to a particular law which is their own. Individually, each caisse works under that law, with the difference that each one is autonomous, and through its directors may set up its own regulation for its own place, but for their whole operations all of them must necessarily abide by some general legislation which applies to all credit unions. Therefore it is the same thing for chartered banks.

Mr. Speaker, section 72 of the Bank Act, which every Canadian should know, would make anyone understand that when we suggest that banks have the power to generate money, to create money, that is true. It should be understood that money is modern quite simply because it is a matter of accountancy.

[Mr. Lambert (Bellechasse).]

Chartered banks which hold a legal reserve under section 72 have the authority, on the basis of a fractional reserve, to create a deposit to lend money to a customer, whether an individual, a company or a government, and when the borrower refunds the money borrowed, they simply cancel the creation of money. The credit which had been granted is based on the real value and is turned into money in a modern way I support because it is much faster. In this way, the possibility of a theft of banknotes is more remote because there are fewer banknotes in circulation. These are clerical entries. They both add and subtract to and from my account by way of entries writing and the payment transfer is made.

The whole difficulty lies in section 72. This is what prevents me from accepting the fact that with a new bank we will contribute to establish more competition and that Canadians will be better served at the level of this institution called the monetary system. I doubt it, I do not believe it at all!

If IAC was able to make good profits in the lending business during 50 years, and if it wants to become a chartered bank today, it is not to lose money but to make more. I gather that those people are serious. They are honest and competent and they know where they are going. If they want to get a charter to create a bank to invest their capital, it is with a view to making more profits, it is because they take into account the competition of chartered banks; but they do not work on equal terms because IAC is not entitled, under the legislation which applies to it, to create, monetize the country's credit, the citizens' credit as banks are entitled to do.

I am shocked when I hear people tell the public: this is a complicated thing, it is impossible to understand, endure it as it is and shut up! In short, this is what it means. As we were told this afternoon by the Minister of State for Urban Affairs (Mr. Ouellet), whom I highly appreciate and who is a good friend of mine: What you propose has never been done elsewhere. That is the classical answer. Yesterday, his colleague the Minister of National Health and Welfare (Mr. Lalonde) informed us about a new plan, a new service for Canadians. He took the trouble to specify that it is new, unique in Canada, that it has never been seen anywhere in the world. I commend him and the government for taking that action. It means that when you want you do not have to ape everybody else, ever waiting for others to act so you can imitate them.

Under these circumstances, I am glad when I see Canadians have enough initiative, enough courage to do something, to pass measures that are not taken in the rest of the world. That means we are really clever people who can do something on their own. We can do that. I think I told the House about the fact that it is a Canadian who invented the system we know now, the telephone system, and Graham Bell did not imitate anyone. He did not say to himself: Chinese did not do that, Russians did not do that, Americans did not do that. He did some research. He found out that it was possible with two pieces of wire—he even started with one piece of wire and the ground. It was called the ground telephone system because communication was established with only one length of wire while the other touched the ground. It has been improved ever

since and today his invention is spread throughout the world. We are grateful to him for that.

I would like us to do the same in other fields, even in the financial or monetary field. This coming year—and that is only a suggestion on my part—I feel that while reviewing bank legislation, committees should take as much time as needed to scrutinize all financial operations to see if it would not be possible to improve the banking system. I am sure that bankers themselves would agree with Parliament to amend section 72 of the law so as to remove that power which reaches beyond Parliament and which makes it possible to establish and create a monetary system which runs parallel to that of the state, to that of the people of Canada, which falls under the jurisdiction of Parliament and which would be one of the responsibilities of the Minister of Finance (Mr. Macdonald). Mr. Speaker, at the rate things are going we are bound to have a superpower type of system.

• (1710)

This is the power of finance over Parliament, over the judicial power, where we are dominated by four powers: finance, Parliament, the executive and the judiciary—and I would add a fourth one, the power of the press or of the media that gives people the information they want to give and this power is in the hands of the economic dictatorship.

Let us lift up the veil and try to find out who are the real owners of the big newspapers, of the privately owned radio and television stations. Let us try to find out and we will soon come upon all the same people we find in finance; because they have the monetary power, the financial power, they can also establish a press power which is serving their own interest. In spite of the willingness of reporters who are trying to give impartial information to the public, the owners of these big media employ people to censure the news they get and let through the news which will serve the interest of the economic and financial dictatorship, and people increasingly lose interest in public matters, because they cannot find anything in there that can truly and efficiently inform them.

Mr. Speaker, the day before yesterday Parliament had the pleasure of being visited by a group of students, boys and girls of 16 to 18, from every province in Canada. Someone responsible, whom I thank, organized a meeting in Room 200 with those students and one representative of each of the political parties represented in the House. We went to meet them and they put the following question to us: Does Parliament control the administration of Canada? Those young people wanted to know that, unmindful of political considerations.

The four hon. members recognized that, unfortunately, the Canadian Parliament does not in fact control the administration of our country because it is asked to pass bills which are not, generally, initiated by Parliament. Cabinet introduces them at the request of advisers placed at its service. Then Parliament is asked to either pass or reject them. But, as the majority decides, usually the bills are accepted by the majority. Further down the line, the executive council has all it takes to implement the will of Parliament, to be answerable to it and to make it responsible. I say no to that. So, we agreed on that, since it is impossible. Let us put any minister, with the best of intentions in the world, at the head of a department such as transport, for instance, where he has to manage the fields of communications, air transport, water transport, etc. How can one man alone possibly supervise efficiently the administration of so vast a spectrum? It is impossible. That is why we say that Parliament does not control its administration. Answers which seemed relevant were given. My colleague, the hon. member for Sault Ste. Marie (Mr. Symes) will certainly corroborate this and the young people asked quite intelligent questions. They want to know what Parliament is, what the members and the ministers do. I was glad to spend two hours with those young people. I am sure of one thing, that is they left Ottawa convinced that they had learned something during their short stay. I therefore invite all my colleagues in the House to provide information to our youngsters. The truth should not be concealed even about money matters. They know where the dollar comes from, who creates it, what is its role in the world, how it ends and why it exists.

Now, Mr. Speaker, after all those considerations, of course I do not want to give the impression in Parliament that the fact that I systematically object to the passage of that bill will solve the problem in Canada. Absolutely not. I am not that naive, but I would like to establish quite clearly that I do not believe that even 20 members would considerably alter the system. They would merely divide the profit in 20 shares instead of—

[*English*]

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

• (1720)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I just want to make a few remarks about this bill. I shall be brief. I am reminded of the comments which were made last Thursday when we were discussing a private members' bill concerning the Bell Telephone company. At that time an interjection was made on a point of order regretting, in effect, that there was no means of providing, in private members' hour, the application of Standing Order 75A or 75B—in other words, closure—on the ground that it was not fair to companies to put them through this process. But here, today, we see the results of what I believe to be one of the finest examinations of a bill to have taken place in private members' hour.

When this bill came before parliament the NDP took serious objection to it, first because it originated in the other place among the corporate retirees and then wound its way into the House through a private member, the hon. member for Kenora-Rainy River (Mr. Reid). We objected, also, to the manner in which interlocking directorships would continue the financial arrangements between the IAC and the Continental Bank. We felt it was certainly an exception to the Bank Act. The government promised revisions to the Bank Act, but that has all been forgotten now, thrown out of the window. We felt it was unfair to deal with corporations such as IAC outside the framework of the Bank Act, that we would shortly see

Household Finance, Avco, and the whole gang trotting in here with their friends in the other place starting private bills and smuggling them into this chamber via a private member.

An hon. Member: Here we go again.

Mr. Rodriguez: Hon. members over there do not like debate.

Mr. Dionne (Northumberland-Miramichi): It is the fiction I object to, not debate.

Mr. Rodriguez: Here again, the hon. member for Northumberland-Miramichi (Mr. Dionne) is missing the point. If we had gone along with the usual desultory examination at that point, we would now have before us legislation far inferior to this. Instead of making smart remarks, the hon. member would do well to start looking seriously at the bills which come before us during private members' hour.

We put forward our objections in the form of a number of amendments, and in these circumstances the hon. member for Kenora-Rainy River and his cohorts in the IAC saw the wisdom of the arguments advanced by members on this side who are concerned about the economic structures we put into place. As a result, the bill before us is a clear refutation of the comment made by the hon. member for Scarborough East (Mr. O'Connell) who expressed a wish that closure might be possible during private members' hour. We intend to apply the same gentle consideration to the bill which he is sponsoring.

I assure hon. members that what we have here in Bill C-1001 is a direct result of the recommendations and amendments we have put forward. If we had raised those objections in a purely philosophic or argumentative way we would, no doubt, have been told it was not possible to make changes of the kind we had in mind; that they would put great stress upon the company, making it impossible to operate, and so on. But lo and behold, the Bronfman family found it could accommodate everything we proposed. As meek as mice scuttling over the kitchen in the middle of the night to steal cheese, by golly, they accepted every amendment.

Very shortly we shall be discussing another bill in private members' hour. This is not a threat, but a promise. We intend to examine it very closely, and we hope the proposals we intend to make with regard to it can be realized. However that maybe, we are prepared to accept the bill before us as amended, recognizing that the suggestions we have made are incorporated in it. We hope it will be possible to reach a similar successful conclusion with regard to other bills which come before us in the same way.

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

Mr. Reid: On a point of order, Mr. Speaker, I should like to thank hon. members for their courtesy and help. It has been a fascinating experience to be working with so many members on legislation of such importance. I appreciate the help and advice I have received in connection with certain changes which have been advisable. Most members will agree, I think, that we have been responsive to their wishes and that the bill is an improvement over the one first introduced.

[Mr. Rodriguez.]

BELL CANADA

The House resumed, from Thursday, June 16, consideration of the motion of Mr. O'Connell that Bill S-2, respecting Bell Canada, be read the second time and referred to the Standing Committee on Transport and Communications; and the amendment thereto of Mr. Knowles (Winnipeg North Centre).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, last week I had just begun to make some remarks on the bill now before us. I will take up where the hon. member for Nickel Belt (Mr. Rodriguez) left off. It is our intention to do the same with this bill as we did with the bill on IAC. With a great deal of persistence our party was able to amend that measure to the extent that it became a decent bill. We propose to do this without the help of the Conservative party, I presume, because they are sitting on their hands.

The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) is an intelligent member. Like myself, he comes from the province of Saskatchewan, the province which offers us the experience of seeing how a telephone system should be run, because it is publicly-owned. It is a public utility serving all people equally. This is what Bell Canada should be; it should be nationalized and publicly owned.

• (1730)

For that reason I am not at all interested in facilitating Bell Canada's wishes to expand their company operations, or to get around the regulations of the CRTC and fatten the pocket books of their private shareholders. I am interested in a publicly owned telephone system in Canada such as the one in the province of Saskatchewan. That is a system the hon. member for Saskatoon-Biggar is proud of, one that I am proud of and which every other member of parliament from that province is proud of.

I want to see a system like the one in Manitoba which is also publicly owned. If the hon. member for Winnipeg South Centre (Mr. McKenzie) were here, I am sure he would be on his feet extolling the virtues of public ownership, because he worked for the Manitoba telephone system before he came to the House of Commons. I know what a great socialist member he is, and he would agree it is a good system. He would be opposed to Bell Canada doing what they are to the ordinary folk of this country. He would be calling for the nationalization of a utility that takes advantage of the ordinary citizen.

I should not really be speaking for these two Conservative members because I shall not leave enough time to speak for myself. I want to prove the case for public ownership. The Saskatchewan Telephone Corporation has been in operation now for a number of years and it provides excellent service to the people of that province. It also returns a great deal of profit to the people of Saskatchewan year in and year out. I have before me the 1976 annual report of the Saskatchewan Telephone Corporation and I find that it has made tremendous profits. Let me go back to 1967, for example. We are only a small province with one million people, and one would think it would be difficult to set up an organization of this sort. I know

my Conservative friends will probably be flabbergasted at this, but the profit from Saskatchewan's telephone service in 1967 was $8,322,000. By 1970 the profits of Saskatchewan government telephones had grown to $11,718,000. By 1976 they had grown to $19,061,000.

Mr. Hnatyshyn: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Turner): The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) on a point of order.

Mr. Hnatyshyn: I know the hon. member would like to entertain a question from me. I am very interested in his most informative figures and if he would permit a question I would appreciate it.

The Acting Speaker (Mr. Turner): Would the hon. member for Yorkton-Melville (Mr. Nystrom) entertain a question from the hon. member for Saskatoon-Biggar?

Mr. Nystrom: Sure.

Mr. Hnatyshyn: I know the hon. member for Yorkton-Melville is a great advocate of large profits for corporations, whether they be public or private. He seems to be extolling this view at great length here today. On the basis of logic and consistency I wonder if it is his view, having regard to the incredible profits made by this company in Saskatchewan, that the money should in fact be returned to the consumer across Saskatchewan in the form of lower rates and greater facilities, or does he feel that this money should go into the general treasury of the province of Saskatchewan?

Mr. Nystrom: I am really happy that the hon. member asked that question, Mr. Speaker, because I might have forgotten to speak about that. I think those profits should be used for a number of things, and I shall probably spend the rest of my time telling the hon. member what they should be used for and what they have been used for in the past.

The annual report refers to all of the rural telephone services in Saskatchewan. It is a really good service which cannot be compared to any other in the country. They use a lot of that money for their rural telephone service. They use a lot more money for communication into northern Saskatchewan. I could in some detail tell the hon. member for Saskatoon-Biggar how my constituent, Neil Byers, as minister in charge of telephones, has improved things in northern Saskatchewan. They have also spent money on cable television in the province. They have made all kinds of renovations and repairs to the existing system. They have participated in the Trans-Canada service. They provide very good salaries and working conditions to their employees, and so on.

Most important of all, Mr. Speaker, they have returned most of their profits to the people of Saskatchewan through the lowest rates of any telephone system in Canada. I am sure that all members of the House would be very interested in knowing how public ownership can be so efficient. It can have the lowest rates in Canada and still make a profit, and it can invest those profits in Saskatchewan, not in the United States or Mexico or elsewhere. They pay their workers decent salaries.

I have before me an article comparing telephone rates in August of 1976, which is the most recent data I have been able to accumulate. I would ask all hon. members, particularly those on the other side of the House, to listen to some of these rates.

In the city of Regina residence phones cost $5 a month, business phones cost $11.85. In the city of Regina there are 72,400 phones. Let me compare those rates with those of private telephone companies in other cities and see how much more inefficient these private companies are and how much more they charge.

The city of Halifax has 96,000 phones; residence phones cost $8.95 and business phones $26. In Moncton where there are 52,000 telephones, private phones cost $7.65 and business phones $22.30. They are even trampling on their business friends. That is what private enterprise does. In the city of Montreal there are almost 1,400,000 phones; private phones cost $7.45 and business phones $22.10. In the city of Ottawa there are 338,000; private phones cost $6.55, business phones $18.70. In St. John's, Newfoundland, poor little Newfoundland with all their unemployed and below average incomes, there are 46,000 telephones; private phones cost $8 and business phones $23.

In Saint John, New Brunswick, there are 47,000 phones; private phones cost $7.65 and business phones $22.30. In Sherbrooke, Quebec, there are 82,000 telephones; private phones cost $6.20 and business phones $17. In Toronto with 1,400,000 telephones, private phones cost $7.45 and business phones $22.10. In Vancouver with 511,000 phones, private phones cost $8.05 and business phones $24.20. In every case that I have cited today the rates are much higher than those in Saskatchewan, which I remind the House are $5 for private phones and $11.85 for business phones.

Mr. Paproski: What about the city of Edmonton?

Mr. Nystrom: Theirs is a publicly owned service as well, another plus for public ownership. Edmonton has 207,000 phones and a private phone costs $5.80. I am so happy to hear the hon. member for Edmonton Centre (Mr. Paproski) arguing the case for public ownership and saying how great it is in the city of Edmonton.

Mr. Paproski: That is not what I said. I just wanted to know what the cost was.

Mr. Nystrom: Telephones probably cost a few cents more in Alberta since the Conservative party is worse at running public institutions that we are. Winnipeg, Manitoba is the only place that has lower rates than Edmonton and Regina. There is a publicly owned telephone system in Winnipeg, which has a rate of $4.90 for a private telephone, and a business phone rate of $11.65. If my memory serves me correctly, it was the grandfather of the former premier Duff Roblin who instigated

a publicly owned telephone system in the province of Manitoba.

● (1740)

In every single case where telephones are publicly owned the rates are substantially lower than cases where Bell Canada is providing service. The figures I have referred to are for cities of comparable size. In every case where the telephones are publicly owned the system is more efficient and is providing service at a much lower cost. I have referred only to the figures for the urban centres, but if I refer to rural areas the rates are significantly lower if service is provided by a publicly owned outlet.

The Conservative and Liberal parties tend to say public ownership does not work, is inefficient, and cannot be properly managed. I should like to point out to them that in the three prairie provinces where the telephone systems are publicly owned service is provided at 10 per cent, 20 per cent and 50 per cent lower cost to people than the service provided by Bell Canada. I do not have the rural rates with me, but in those areas the rates are even lower where the system is publicly owned.

I am not interested whatsoever in Bell Canada getting more money and more privileges in order to expand their facilities. Coming from Saskatchewan I have had a chance to experience publicly owned telephones. Then I came here and experienced privately owned telephones. There is no comparison whatsoever. I am not only referring to the price. I am also referring to the service. When I ordered a telephone for my new home here, it took nearly two months to get a private line. That would never happen in Saskatchewan or Manitoba. If you order a new telephone in those provinces, it is a matter of days before you get it. You do not have to wait for months and months on end. You have to wait with Bell Canada because they are not interested in providing a service. They are only interested in making a profit.

The first priority of publicly owned systems is to serve people. They do not take advantage of people by being pick pockets and taking money out of their wallets. It is nothing short of that in some instances with Bell Canada. I will not expedite this legislation through the House and further line the pocketbooks of Bell Canada.

Mr. Paproski: You had better be careful or Bell Canada will cut your telephone off.

Mr. Nystrom: A week ago my telephone stopped working. Coincidentally that occurred the day after I spoke on the Bell Canada debate. I immediately called their office and they said it would take at least a week and a half to repair my telephone. In Saskatchewan employees would be fired if it took that long to repair a telephone. That is an indication of how efficient the publicly owned system is in Saskatchewan. It is not inefficient like the privately owned Bell Canada system. For reasons like that, I am not interested in filling the pocketbooks of Bell Canada or making the hon. member for Scarborough East (Mr. O'Connell) happy.

[Mr. Nystrom.]

Bell Canada takes advantage of too many ordinary people. They should be publicly owned, and the telephone system should be publicly owned by all of the people in each and every province so that those people could enjoy the same privileges and rights as we enjoy in the provinces of Saskatchewan, Manitoba, and Alberta.

When the hon. member for Lisgar (Mr. Murta) gets up, he will be talking about public ownership of the telephone system in the province of Manitoba because of the low rates he and his constituents pay, compared to the rates which are paid by people in ridings like those of the hon. member for Sault Ste. Marie (Mr. Symes) and the hon. member for Nickel Belt (Mr. Rodriguez). That is only because the telephone systems in Manitoba, Saskatchewan and Alberta are publicly owned.

It makes me passionate and somewhat angry when I compare the two systems of telephone service. I consistently hear that Bell Canada is poor and needs more money. In the question I answered just a few moments ago, I referred to the profits SASK TEL made despite all the service they provide. If SASK TEL can make such tremendous profits and provide service at such low rates, what is Bell Canada doing with the money they are swindling from the taxpayers of this country? They give various privileges to their executive people and they are involved in various types of investments. They do those things with the money they make from ordinary citizens.

I should like to refer to a list of Bell Canada's shareholders. Unfortunately I do not have enough time to refer to the 76 major shareholders of Bell Canada. I have heard Conservative and Liberal members get up and say that little old grannies own Bell Canada, and private citizens own Bell Canada. Well, very few of them own Bell Canada. Bell Canada is mostly owned by large companies.

In Saskatchewan the telephone system has 950,000 shareholders because every citizen of that province is a shareholder of SASK TEL. The same situation exists in the province of Manitoba, and that is the way it should be in the provinces of Ontario, Quebec and British Columbia, as well as the Atlantic provinces.

Some hon. Members: Oh, oh!

Mr. Nystrom: When hon. members of the Conservative and Liberal parties realize they are not winning their argument, they start shouting and heckling.

I should like to return to the list of Bell Canada shareholders. There is Associated Investors Ltd. which has 2,400 common shares; Canada Life E-2 which has 6,100 common shares; Canada Life S-3 which has 22,325 common shares; Canada Life S-9 which has 12,000 common shares; Canada Permanent Investments which has 5,000 common shares; Canada Permanent Pooled which has 10,000 common shares; Canada Trust Investors Equity which has 15,000 common shares; and Canada Trust R.S.P. which has 62,000 common shares. Mr. Speaker, if I had a grandmother like that I would be a wealthy man.

Mr. Paproski: How many shares do you have?

Mr. Nystrom: I have no shares in Bell Canada. I have one share in SASK TEL because I am a resident of that province. Just like every other resident of that province, I have one share, and I am very proud of that. We also own a lot of potash in Saskatchewan, and we are likely to be owning a lot more in the future.

Mr. Paproski: The potash industry is another cartel.

Mr. Nystrom: Even if it is a cartel, it is a cartel on behalf of the people of that province. It returns all the profits to the people of that province and does not drain all of the profits out of the province and into other countries. I seem to be annoying hon. members by getting to some of the bare facts.

To return to the list, another Tory grandmother is Canadian General Life Equity which has 1,000 common shares. There is also Canadian International Investor Trust which has 12,000 common shares—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1750)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I know the hon. member for Yorkton-Melville (Mr. Nystrom) was cut off in mid flight while listing these "little people" who own Bell Canada, and I am positive he would want to make sure that a few other examples go on the record. He has a list of 76 various large shareholders of Bell Canada and he got down to No. 11. I too am somewhat limited by time; I only have 20 minutes. I imagine I could fill my 20 minutes reading the list of shareholders and still be able to pass it on to another member. I will not do that other than to point out a few examples from the list to puncture the myth that it is the little people who own Bell.

We have, for example, Eaton Commonwealth Investment Fund owning 50,000 common shares, or Confederation Life owning 63,400, and Investors Growth owning 320,000 preferred shares. It ranges from that figure of 320,000 shares down to around 300 shares. That is an example of the kind of ownership that exists in this company. It leads one to question whether the company really is serving the interests of the individual subscriber, the little person as he is called by Bell, or whether Bell is serving some important or powerful corporate companies.

I want to move on to discuss why we take particular exception to this bill on Bell Canada, a bill which originated in the Senate and which only had a very cursory examination. For that reason, and because we feel that Bell does affect hundreds of thousands of subscribers in various parts of Canada it is important that we give it a close scrutiny to see what the company is up to, and to ensure that the bill is amended so that the subscribers are protected.

What the bill tends to do is to allow Bell to be treated like any other corporation in the matter of raising capital. It wants to change some of the regulations by which Bell has been governed up to now. But we in the NDP argue that you cannot treat Bell Canada like any other company, that because it is a monopoly it has a unique position in the country, it is a very powerful company, it does not have a competitor in certain provinces, and therefore it has to come under government regulation.

What we object to is the way in which Bell Canada, since its incorporation, has attempted to circumvent government regulation, that is to say regulation by the elected representatives of the people or the agencies which they appoint.

I would like to zero in on just a couple of areas to show why we need more regulation of Bell Canada rather than less, as this bill attempts to do. We find that Bell, by having subsidiary companies, has attempted to circumvent some of the original legislation governing the operation of Bell Canada, legislation which limited Bell to operate in the field of telecommunications. What we find is that Bell, through its subsidiaries, the companies in which it owns controlling interest, has been trying to increase investment in areas not related to communications. Through the use of subsidiaries Bell has been trying to increase its investment and its other costs in order to inflate its rate base and justify increased costs to subscribers, while at the same time shifting their profitable operations to their subsidiaries which are not regulated by any government agency. In other words, I submit that Bell is trying to circumvent the intent of parliament. Therefore we object strenuously to this bill because it is just one more in a series of attempts by Bell to bypass regulations.

Let us look at the way Bell tries to circumvent regulations. Let us look, for example, at its largest subsidiary called Northern Telecom, formerly known as Northern Electric. This company manufactures telephone receivers and related equipment. We should note that Bell originally manufactured this equipment itself, but eventually it changed over to having Northern Telecom do it.

Northern Telecom is a wholly owned subsidiary of Bell. What it has been able to do is to capture the market on telephone manufacturing and to become a profitable branch of Bell Canada. But when the government agency, formerly the Canadian Transport Commission now the Canadian Radio-Television Commission, goes about regulating Bell and determining whether subscribers' telephone rates should go up or not, the regulatory agency never takes into account the profitability of Bell's subsidiaries. This has always been a shortcoming in the past.

I have appeared before CTC hearings in the past and argued that you have to look at the total profitability of the company in determining rates. That has not been done in the past, and as a result Bell can argue that its costs have been going up and therefore subscribers have to pay higher telephone charges. But when we look at Bell's profitability through its subsidiar-

ies, the question comes to mind that perhaps the rate increases in the past have not been justified. I think of Northern Telecom's profits in particular. That company reported record earnings in 1976 of $77.1 million, up to 14.2 per cent from a year earlier. That profitability is really a direct profit for Bell Canada. It is all part of the same conglomerate, the same large corporate structure. Therefore I submit that that should be taken into account when Bell goes before CRTC pleading poverty and asking for a rate increase.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Turner): The time provided for the consideration of private members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CUSTOMS—EFFECT ON TOURIST TRADE OF ALLEGEDLY UNREASONABLE TAXING OF UNITED STATES CITIZENS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, on Tuesday of this week I had occasion to ask questions in the House of the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of National Revenue (Miss Bégin).

We know that the deficit in the tourist trade is getting worse each year. The deficit for the first quarter of this year is $410 million, a quarterly deficit greater than any annual deficit prior to 1975. As I mentioned, I addressed a question to the Minister of Industry, Trade and Commerce and the Minister of National Revenue. The first minister seemed to think that the main problem was that all of a sudden too many Canadians were going abroad instead of touring their own country. It may be so, but facts have been brought to my attention which seem to indicate that the main problem might be quite a different one.

In my supplementary question I asked the Minister of National Revenue why her department's excise tax officers gave the impression that they were following a policy of harassment directed against American tourists, which can only be called a witch hunt, when they were assessing duties and taxes on, for example, American groceries purchased by U.S. citizens for use in Canada, or on U.S. manufactured boats used by Americans in Canada, and on U.S. registered automobiles while in use in Canada. The minister answered that she did not know which electors I represented, that she could not deal in generalities, and that she wanted specific details. I want her to know that I represent the electors of that paradise vacation land, Parry Sound-Muskoka.

[Mr. Symes.]

• (1800)

I would also like to remind the minister that other regions of the country count greatly on the American tourist trade. I have received complaints in letters and in telephone calls. A constituent of mine who owns a fishing camp on Lake Nipissing sent me a letter telling me of a complaint she received from three American clients. They were coming to Canada with friends to go fishing for a week end. They had about $40 worth of groceries with them which they had purchased in the United States. They were humiliated and treated in an extremely rude fashion at the border, and they had to pay $6 duty on the $40 worth of groceries. The tourists were angry because they were treated somewhat like smugglers.

The law permits a person to bring with him duty-free food for two days. The customs officer is the final judge on what amounts to two days' food. It is hard for me to believe that $40 worth of groceries shared by three men could be much more than a two days' supply at today's costs. These people say they are not coming back. I do not think it was the idea of the $6; it was the principle of the thing.

The second case concerns an American who has been coming to Canada since 1961. He lives in Florida. Six years ago he purchased a lodge in Algonquin Park. It is a very successful operation. It turns over more than a quarter of a million dollars in business each year and is a great asset to the surrounding community. Every year the owner of this lodge brings his car into Canada for the summer while he is here. He also has two trucks. He leases one in Canada, insures it in Canada, and uses it in conjunction with his business. His other vehicle he purchased outright in Canada, insures it in Canada and so on. Both these vehicles are used in conjunction with his business.

He had to go to one of the customs offices to pick up some parcels which came from the United States. He paid duty on them. The customs official noted the American licence plate on his vehicle. Nothing was said at that time, but a few days later he received a telephone call. He was told in no uncertain terms that his American car could not be used for business, not even to pick up a few parcels from a customs office or to pick up mail. He was further cautioned that he was the only one who could drive his car. His wife could not even drive it. He was told that if he dared to do anything out of line his car would be impounded.

He was given strict orders to go back to that customs office by Friday of this week, which is tomorrow. Needless to say, he was in an awful quandary about this, and I was contacted. I just telephoned him half an hour ago. He went back to that customs office. He said he was amazed at the courtesy with which he was received. A permit was given to him, and he has no problems again this year. However, this case shows that there are officious officials in customs and excise who are creating bad feelings among tourists. I am sure hon. members are going to hear a great deal about this.

Many Americans owning boats have come to Canada over the years. They have brought them to their cottages or to their resorts, as the case may be, and they have left them here. In a

great many cases they store them at marinas. In some cases they may leave them at their own cottages, but they go back to their own country at the end of the tourist season. However, they use their boats each year.

There has been no change in regulations, but it seems that now people will have to adhere to the letter of the law. Every American who owns a boat is either going to pay duty or take his boat back to the United States by October 1. This is my information. It certainly seems to be a hardship. A great many people are up in arms. Marina operators who get a good deal of business are up in arms. This matter was brought to my attention by a marina operator.

I am aware that marina operators did put pressure on customs and excise to have this regulation enforced so that they could sell more boats to Americans. A great many Americans buy boats in my area and have them serviced and stored there. There is no problem with that, but it would take a battalion to search out all the American boats that have been in this country for years and years. Everyone is aware that boats carried on trailers are heavy and contribute to higher gasoline consumption, and this is what will happen if they have to be brought back and forth each year.

The Acting Speaker (Mr. Turner): Order, please. I have to inform the hon. member that his allotted time has expired.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, under customs regulations a non-resident may import an automobile, pleasure craft, and personal baggage for the length of his or her visit to Canada, but at the conclusion of the visit, goods imported in this manner must be exported. However, realizing the inconvenience that could be caused to non-resident visitors by insisting that their pleasure craft be exported at the conclusion of each visit, the department has, over the years, allowed pleasure craft to remain in Canada during the summer or vacation periods under permit. The foregoing concession has been granted to persons renting or owning seasonal residences in this country as well as to individuals who have yachts and secure storage at marinas.

Over the years repeated requests were received by the department to allow the off-season storage of pleasure craft in Canada. In recognition of the potential benefits of this storage to Canadian marina operators, a procedure was introduced in accordance with national legislation whereby a temporary admission permit would be issued in instances where a unit remained in Canada at a bona fide marina or recognized service depot for repairs or overhaul purposes. Although few problems were experienced with the introduction of this practice, some abuses were indentified where, for example, equipment of all kinds would be stored in Canada, often without any need of repairs and occasionally at locations other than marinas and service outlets.

Unfortunately, the situation has now reached the point where we must re-affirm the intent of the original regulation and limit winter storage permits only to those non-residents who are having their equipment repaired at bona fide marinas.

With respect to the importation of food into Canada by tourists, the present regulations entitle the visitor to this country to import a two day supply of food free of duty. A visitor may, of course, import quantities in excess of this, provided, of course, he pays the duties and taxes. It should be pointed out that customs officers use some discretion to extend a certain degree of latitude.

The regulation which allows foreign visitors to import two days food for each visitor is extended to allow him or her time to locate local sources of supply. The predominant concept of tourism of course is the belief that the visitor will avail himself of the goods and services of the country in which he is visiting. The rationale behind the present regulations is to encourage the purchase of foodstuffs in Canada, foodstuffs which, in large measure, are produced, manufactured, and distributed by Canadians and Canadian enterprises.

Like the hon. member I represent a constituency where the tourist trade is important. The rationale to which I referred is one which I accept and applaud. Upon reflection I am sure the hon. member opposite will do likewise.

ROYAL CANADIAN MOUNTED POLICE—INVESTIGATION OF OPERATIONS OF BANK OF MONTREAL IN VANCOUVER—REQUEST FOR REPORT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on April 19 I raised a question with the Solicitor General (Mr. Fox) regarding the activities of the commercial crime section of the RCMP in the Vancouver area investigating an alleged illegality involving the Bank of Montreal in Vancouver as it affected a constituent of mine, Mr. Larry MacHale. The reason I asked the question is that it seems that the commercial crime section investigates over and over again. I have to admire the members of the police force for their willingness to carry out investigations ad infinitum.

• (1810)

It seems that the Solicitor General becomes fidgity if we ask him in the House how the investigation is going. His attitude is that, because the investigation is under way, we should not talk about the matter. Mr. Speaker, those are the stonewalling, Nixon-like tactics the Solicitor General uses in this House. Instead of clearing the reputations of people, he says we should not talk about the matter. I agree that if it were before the courts we should not discuss it, but since it is only in the investigation stage I do not see why we should not raise it. I say it is time we gave some of the people involved a chance to clear their names.

I understand that some of these matters have been on the books of the force in Vancouver for three years. How long is the department supposed to investigate? Allegedly, every time the investigation proceeds to a certain point the troops are called off and told to look into the question no more.

Sooner or later we must know the answers to certain fundamental questions. For instance, is the RCMP in Vancouver so woefully understaffed in its commercial crime section, that it

cannot investigate such offences, adequately, to the satisfaction of the attorney general's department in British Columbia? If the Solicitor General wants to crack down on commercial crime, let him provide the RCMP detachment in Vancouver with the staff it needs in order to clear up white collar crime in the area.

The second question I raise is this: is the administration of justice being stonewalled in the Vancouver area? Why does the Solicitor General always tell us the matter is under investigation, and why does nobody ever get around to laying specific charges?

I raised this matter in the House on April 19. Since then the Vancouver *Province* has published some material relating to this matter and the Bank of Montreal. If the reporters on the Vancouver *Province* can dig up information, submit it to their legal beagles and make sure it passes all the necessary tests before publication, why cannot the attorney general's department or the RCMP do at least as much and secure such information? It seems to me, as the newspaper has published some of this material, that in order to allow people to clear their names charges should be laid; and it seems to me the Solicitor General's department or the attorney general's department is stonewalling in this regard.

The third question is this: whom is the government protecting? Why is there no action? If the department is investigating, it should either clear the names of some now under suspicion, or lay charges against those involved in the operation in question. As I say, let us clear their names or let us see some charges laid, but let us not smear with innuendo citizens who have become the victims of a seemingly spurious operation. Let us not smear with innuendo the police force which is doing its best to provide evidence on which charges can be founded. Names on both sides of the matter ought to be cleared, because officials in Vancouver want to know where they stand.

Surely the Solicitor General cannot hide behind the old excuse that this matter is under investigation. If it is being investigated, let us get to the root of the problem and lay charges. Let us give people who are now the victims of innuendo a chance to clear their names. I look forward to the Solicitor General's answer.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, we do not accept the suggestion of innuendo implicit in the hon. member's question. Mr. Ross Hamilton Lawrence MacHale of Vancouver, B.C., is the owner of Argon Developments Ltd., which is a firm engaged in real estate development in the Vancouver area. During June, 1973, Argon purchased a 14-lot subdivision from Raymond Harold Lawrence and, to do so, arranged financing with various lenders in the amount of approximately $550,000. Argon also purchased another subdivision in Port Moody, B.C., from Percy Contracting Services for nearly $300,000 which was financed through a different lender.

[Mr. Friesen.]

The above financing arrangements caused a strain on Argon's financial position, and as a result it was petitioned into bankruptcy. To avoid a bankruptcy suit, Mr. Alvan G. Percy, of Percy Contracting Services, arranged financing to relieve Argon of some of its indebtedness and, as security, took a mortgage on the property belonging to Argon.

Mr. MacHale has complained that Mr. Percy and other interested parties, including the Bank of Montreal, entered into a conspiracy to defraud him of his interests in the properties bought by Argon Developments.

This matter is still, at present, under active investigation as auditors are currently examining books and records, and until such time as this examination is complete, we cannot say whether or not there has been any criminal offences committed.

You will surely understand, Mr. Speaker, that because this matter is still under an active investigation, it would not be in the public's interest to disclose any additional information until such time as the facts are known and it is determined whether or not there is a cause to lay criminal charges such as the hon. member quite correctly suggested.

CONSUMER AFFAIRS—POSSIBILITY OF ESTABLISHING FOOD POLICY COUNCIL TO CONSIDER NATIONAL FOOD POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, on May 31 I asked the Prime Minister (Mr. Trudeau) a question having to do with the setting up of a joint food policy council consisting of both private and government members to cover every segment of food production from transportation to tariffs in order to come up with a comprehensive national food policy. The Prime Minister replied that it was an interesting suggestion, that he would consider it most seriously.

Since that time we have seen the unveiling of what the government has termed a white paper or blue paper on a national food policy. It is to that I will address myself because it ties in with the question I asked the Prime Minister on May 31.

In the interim we have heard the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Abbott) talk about a national food policy. In doing so, they have totally confused the issue. The debate in Canada is now urgent in the context of moving toward a consensus on a national food policy.

I have called upon the government to set up a parliamentary committee to travel across Canada, giving it similar powers that the committee on penitentiaries had, to look in depth into the matter of a national food policy and report back early in 1978.

The Minister of Agriculture talks in terms of protectionism when he talks about a national food policy. The Minister of Consumer and Corporate Affairs talks about free trade when he talks about a national food policy. This was evident in the remarks of both ministers in the House as well as their press conference. The Canadian consumer and producer are in the

middle of this debate between the two ministers. I ask the parliamentary secretary to clarify the positions of these two ministers. I further ask whether the government has given consideration to setting up a committee to look into a national food policy.

In my opinion there are two things that must be done in this House. As I mentioned before, the first is to set a parliamentary committee. The second is to make major changes in the Department of Agriculture. I call upon the government to set up a department of agriculture and food. It would give greater power to the Department of Agriculture and would complement what would be left of the Department of Consumer and Corporate Affairs. The department would then have greater power in all areas of government.

● (1820)

It is becoming abundantly clear that unless policy changes are made the food industry will find itself unable to cope with demands in both the domestic and export markets in the future. We are facing a mini-crisis in the area of food policy, and the government must make fundamental changes. The first should be to create a ministry of agriculture and food and then to send a parliamentary committee, properly staffed, across the country to sound out the feelings of Canadians in all walks of life as to what they would like to see in a national food policy. At present we have absolutely no co-ordinated approach to agriculture and food.

We must remember that agriculture is more than just the farm gate. It comprises wholesalers, retailers, distributors, and tariff policies, and all these areas at the present time are segmented. I urge the government to look seriously into this idea of sending out a parliamentary committee, to consider seriously making the major changes to which I have referred, and to examine carefully the advantages of setting up a department of food and agriculture.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his concern about a national food policy and for the representations he has made in this regard. I would point out that the representations he has made in the course of this adjournment debate are somewhat extended as compared with those he made on May 31. At that time he was talking about a joint food policy council. He now talks about a committee which would travel about the country, and suggests certain changes affecting the Department of Agriculture.

The response of the Prime Minister (Mr. Trudeau) on June 23 might be repeated in this regard: these are serious representations and they will be well considered.

As the hon. member himself said, the question he posed has to a certain extent been overtaken by events in the past two weeks. The government has already announced a food strategy which provides a set of guidelines or principles to be followed in order to assure all Canadians of adequate supplies of safe and nutritious food at prices which are reasonable to both producers and consumers.

The strategy provides an umbrella under which policies and initiatives will fit. As the strategy makes clear, consultations will be taking place on specific prospects as we flesh out each part of them. This is why the Prime Minister said earlier that he considers the question to be a representation and why it is a subject for serious consideration.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

The Acting Speaker (Mr. Turner): I do now leave the chair until eight o'clock tonight.

At 6.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and motions nos. 13, 14, 16, 17 and 18.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, when I left off this afternoon we were discussing the fiddling around by the government with the extended benefit period under the Unemployment Insurance Act. Also grouped within the set of motions to be debated was one in which the government foresaw using the unemployment insurance fund for job creation purposes. When the committee was hearing evidence on Bill C-27, witnesses representing employers and employees came before the committee. It is not very often that such groups agree on things, but in this particular instance all employee and employer groups which appeared before the committee did agree on one thing. The work sharing proposals put forward by the government were completely opposed by all groups representing employers and employees.

Some of the Liberal members on the committee told me that the work sharing program was innovative, that the job creation proposals were innovative, and that the job training program was innovative. I say the work sharing programs are not innovative. Indeed they have been around since the pyramids were built. They were the first job creation program in history. I suppose in those days the Egyptians would have said that they were job creation programs. They were job creation programs, but at very high human cost.

We now have the new Pharaoh with his hair cut and his blue suit, telling us that he has some really creative job programs going forward into the past, into the 1930's.

I hear the hon. member for Hamilton Mountain (Mr. MacFarlane) braying. All he can do is count up to 20.

● (2010)

The government should get about the business of changing the federal Labour Code so that it does not remain a managerial right to order workers to work overtime.

The United Auto Workers made an excellent presentation before the committee. They urged the government to make changes in the federal Labour Code so that workers are not forced to work overtime by management. The Telecommunications Workers Union, which represents employees of Bell Canada, also urged the government to make changes in that code to determine emergency conditions under which management can call those workers out to lay cable. They were being called out on Saturdays to work overtime laying cable. Certainly that is something management might consider being an emergency, but in the eyes of anyone else that is not an emergency. There is the case of Griffin in Winnipeg, Manitoba, where workers are on strike. They are demanding a right to make optional whether a worker works overtime or not. There are a million people or more unemployed in this country, and yet there are companies standing on their managerial right to order workers to work overtime.

The minister is advocating work sharing. The unemployment insurance fund would supplement the work sharing program. If that is what the government wants to do, then it ought to come from general revenues and not from the unemployment insurance fund. The government continues to give the impression to the country that it is these workers who are costing the taxpayers $3.8 billion. It has the gall to tell us the unemployment insurance fund is going to cost $3.8 billion in 1977. Projected over next year it will cost $4 billion. The changes it is talking about will supposedly be a saving to the taxpayer, but next year taxpayers will find out the cost for unemployment insurance will be as high as ever. Do you know who will be blamed? The people participating in work sharing, the people participating in job creation and the people on training will be blamed. If the minister wants to implement his job creation program, then it must be done out of general revenues and not out of the unemployment insurance fund.

[Mr. Rodriguez.]

The Acting Speaker (Mr. Turner): I regret to interrupt the hon. member, but his allotted time has expired. Is there unanimous consent for the hon. member to continue?

An hon. Member: No.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will not be long in speaking to these amendments.

An hon. Member: You have 20 minutes.

Mr. Alexander: I do not think I will require 20 minutes because we have already been through it all. There has been an exhaustive search in the standing committee. We heard a number of witnesses, and I am satisfied with those who appeared. I thank them for their attendance because it opened up a new avenue, as far as I was concerned. It was one of a few instances where labour and management were able to get together.

The motions in total deal with the departmental use of unemployment insurance funds. The minister hopes to realize a saving as a result of the change in the eight week period and other matters contained in the bill. Both labour and management registered their concern and disappointment at the fact that the minister appeared to use these funds in terms of job training, job creation, and work sharing. They believe UIC funds are accumulated, and because of employee-employer feelings should be directed to the financial benefit of employees. They did not take an extremely hard line on job training and job creation. They would like to know how it works. They are concerned about the fact that we have had a lot of job training schemes and we do not know who is being trained for what. They are a little suspicious about the job training proposition which the minister advocates. As my party's critic, I cannot say I am not going to give the minister a chance in this regard.

We on this side of the House, in the past few months particularly, have called on the government to create jobs, or to create a climate whereby the private sector can create jobs. I am prepared to give the minister the benefit of the doubt with respect to job training. Training in needed skills is required in our contemporary society, rather than training for obsolete jobs. There is some concern about how this program is going to work, but hopefully it will realize jobs for the Atlantic provinces and the province of Quebec which have been hit with high unemployment.

I am surprised with my friends to the left, the socialists. The NDP have always cried about job creation. Here is an opportunity which may not be perfect, but those hon. members are saying that they do not want the government to create any jobs.

Mr. Rodriguez: You do not do it with UIC funds.

Mr. Alexander: Is he not a loud mouth, Mr. Speaker? I have been listening to his bombastic, useless rhetoric. Of course he is famous for that. I have also listened to him repeating himself, but I did not say a word. Now I have stood

up for my 20 minutes, and that rascal stands up and refuses to give me an opportunity to speak. Now I see the hon. member getting up on a point of order.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I do not mind the hon. member for Hamilton West (Mr. Alexander) taking us to task on debating the points at issue, but to misrepresent our position is not acceptable. We never opposed any job creation or training programs. The position we have taken in committee, and in this House, is that those programs should not be charged against the UIC fund. The hon. member is well aware of that. He is misrepresenting the position of hon. members on this side of the House. That is a very irresponsible position for the Conservative critic to take. Indeed he is the rascal.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on the same point of order. It takes a lot of nerve for the hon. member for Nickel Belt (Mr. Rodriguez) to get up and do what he has just done. For hours this afternoon we sat through his wild charges. Surely he can let the hon. member for Hamilton West (Mr. Alexander) finish his speech.

Mr. Deputy Speaker: Order, please. The hon. member's point of order was more a point of clarification. I do not see how the hon. member for Northumberland-Miramichi (Mr. Dionne) can clarify what has already been said.

Mr. Alexander: Mr. Speaker, I appreciate what the hon. member for Northumberland-Miramichi (Mr. Dionne) has just stated.

As I was saying about that rascal, and as I was saying about his party, they have now stated that they are not interested in job creation. I do not care whether or not he wants to split hairs with me. He says he does not want jobs created. We in this party say that we want to give the minister a chance to see whether this job creation proposal can work. We are prepared to be realistic, but the hypocrites on my left only say, "We are all for the poor. Create jobs for them".

● (2020)

I have watched the leader of the NDP stand in this chamber every day speaking to the Prime Minister (Mr. Trudeau), to the Minister of Finance (Mr. Macdonald), and to the Minister of Manpower and Immigration (Mr. Cullen), telling them, "There are one million people out of work. Create jobs", but now that there is an opportunity to create a few jobs, those rascals—and in particular the biggest one who is the smallest one—stand up and tell me they are not interested in job creation. I listened to that nonsense all day and I am getting sick and tired of the hypocritical attitude that that party adopts for their own particular benefit. But nobody buys anything they say. The proof of the pudding is that the socialists only have 15 or 16 seats. Mark my words, come the next election they will have even less.

Some hon. Members: Hear, hear!

Mr. Alexander: That is how much the people believe in the socialists. I do not want to get involved in partisanship. As I was saying, Mr. Speaker, we have here an amendment. I wish we could wipe out work sharing.

Mr. Rodriguez: You are losing your seats to the Liberals.

Mr. Alexander: I wish we could wipe out the socialists as well, but we will leave it to the people.

I find that labour and management in particular do not go along with work sharing. They are fundamentally opposed to it and I do not think I am exaggerating one bit, whether we talk about the CLC, the construction association, the manufacturers' association, or other representatives of labour and management. They all said, "No way, it does not work." Experiments were made with it in France, Italy, West Germany, and I will give the hon. member, the little rascal, credit, because he indicated that work sharing has been around for a long time and has not worked. There is no reason why we should be involved with it right now, and I will not pursue it any further.

While I am on my feet, let me say that while we appreciate what the government is trying to do with job training—

An hon. Member: Here you go again.

Mr. Alexander: Will you shut up, Cyril? I did not bother you, Sir.

We appreciate what is going to happen with job creation, but we are a little skeptical about it.

In my motion I ask that the minister report back to the House within one year after the proclamation of this bill to give us an analysis of the pilot projects. Incidentally, we would like to know at the same time about job training and job creation. That is my amendment.

What does the minister want with work sharing? He wants to share with others what few jobs there are in existence. That is not right. What we should be doing is to create an atmosphere where jobs can be created. Let me say without any hesitation that people do want to work, but I am worried about the fact that the Minister of Finance ignored OECD back in October and November of 1976, ignored the Economic Council of Canada, and ignored the Conference Board of Canada—all of them respectable organizations which said, "Mr. Minister of Finance, please get on the ball and create an atmosphere whereby jobs can be created;" in other words, "bring in a budget". That was in October of 1976. The minister did not bring down a budget until March 31, 1977, and at that time we already had one million unemployed.

It is incumbent on the minister to start talking about a revised budget so as at least to show the Canadian people that he is aware of reality. We have called for tax cuts, we have called for cuts in the sales tax, we have called for some contractual enterprise with firms which would be prepared to go to the slow growth areas for which they would receive tax relief, and we have talked about the unproductive programs of the government involving the tax dollar and putting them into

the common pot to see whether we could use moneys that are not being used in terms of job creation to create jobs.

We have also said that wage and price controls have been a disaster. There are many ways of looking at this, depending on what conclusion you want to reach. The Minister of Finance would like to stop the controls but he does not know how or when to get out. We say we should get out by the end of June, as I think was indicated in our motion. Our recommendations as to what to do during the post-control period, monitoring, and all that sort of thing, are all on the record. We are not talking about sharing the work which is available. I do not like it because it would be a retrograde step. I want to progress, and the only way in which we can progess is by attempting to create jobs for those who are ready, willing, and able to work.

It is a shameful indictment of our society that in a country like ours, with our natural and human resources, we are unable to provide jobs for some one million people. It is a sorry state of affairs. It is all right for us to sit around here. We are gainfully employed for the time being, although some of us might not be back after the next election. You know how many letters we get, not only from high school students but from people with doctorates, B.Sc., B.A., and M.A., heads of families and others. We have a national crisis of significant proportion in terms of the high rate of unemployment. People do not want to be on the dole, they do not want to go to the welfare office, they do not want to stand in line for UI cheques—it is demeaning.

I do not want to be partisan and I have not been partisan as yet, but I must say that the government has created a nation of "gimmes" It has spent money as if it were going out of style. It spent some $10 billion in 1968, and $45 billion in 1977. Why? Because it said that people want that. I tell you, people are starting to say, "Listen, you are putting your dirty, greasy fingers into our pockets too long and too deeply". We had better start listening to the people. That will be the end of my partisan statement, although I could go on a little further than that to say how the government has destroyed the country. But I will not say it now, I will save it for another time. There is the scenario of the just society, another myth.

An hon. Member: Let's hear about it.

An hon. Member: Tell us more.

Mr. Alexander: We have heard "I shall save the nation". We have heard about national unity. This government, under the leadership of the Prime Minister, has not only destroyed this country but has created a nation of "gimmes" and has brought into being a separatist government in the province of Quebec. That is the end of my partisan statement. That is the message I will take to the Canadian people. Never mind this nonsense, "I am the saviour, I am the only man who can save this country". The one man who did nothing for this country who will be remembered is the one man who destroyed it, and he is still sitting here.

Let me continue by saying that I will accept the minister's proposal for job training and job creation but I cannot accept his work sharing concept. I hope he will appreciate the motion I place before the House to have this matter reviewed at the end of the year.

I notice that motion No. 13 is in the name of the NDP. We will vote against it, of course. We will also vote against motion No. 14 because that is another socialist motion. Motion No. 16 is in the name of our party, and of course we will vote for it. Of course, we will vote for motion No. 16 because it is a meaningful motion. As to motion No. 17, we will vote against it because it is NDP. Motion No. 18 is another good motion coming from this side of the House, from the official opposition, and we will vote for it. I do not think I have anything more to say on this point. I want to thank hon. members for their patience and understanding.

• (2030)

Some hon. Members: Hear hear!

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, it is quite a change in approach, doctrine and dogma to hear the hon. member for Hamilton West (Mr. Alexander) after listening to the bombastic addresses from what we have come to call the little rascals around here. However, there have been many comments made yesterday and today in this debate, and I will probably have more to say at third reading because I think there is a little more leeway at that stage.

We found surprising support for the action we have taken on the variable entrance requirements from a member of the NDP this afternoon, and I would commend to him a reading of his own address. The hon. member for Nickel Belt (Mr. Rodriguez) in some areas saw fit to quote the Canadian Mining Association, but he forgot to read the paragraph in which that association supported the stand taken by the government on its variable entrance requirements.

Clause 41 of Bill C-27 contains three proposed new sections authorizing the developmental use of UI funds. New section 37 relates to work sharing, section 38 to job creation, and section 39 to training. The basic rationale underlying these proposals is to provide more productive alternatives to UI claimants while they are receiving income maintenance. To that extent I agree with the hon. member for Hamilton West that people do not want to be on the dole and that, if there is an opportunity to take some training, I think we have an obligation to provide it to them.

The original purpose of UI was to provide income protection to unemployed workers while they searched for suitable employment. This undoubtedly remains a fundamentally important purpose of the program. At the same time we all know that there have been dramatic changes in the economy, the labour market, and society, with the result that, for certain workers, immediate job prospects are poor. In these cases the provision of income maintenance by itself is not the most effective approach to the solution of their problems nor, indeed, to the problems of the labour market.

We know from experience that suitably designed training courses can help significantly to enhance employment opportunities. We are now proposing in new section 39 in clause 41 a more systematic approach based on streamlined financial arrangements. The current cumbersome approach whereby UI tops up manpower training allowances would be replaced. Those eligible for UI referred to manpower training courses would receive their full income maintenance from the UI program. This would not only make administrative and financial arrangements more efficient, it would also open up the possibility of additional funds being made available for training purposes. I am confident that these proposed arrangements are sound and should merit the full support of hon. members of this House.

I recognize that the proposals for job creation and work sharing constitute new departures. We have, therefore, indicated that we would be undertaking pilot projects in both cases to assess the extent to which the undoubted difficulties could be overcome and positive results achieved.

In recommending the use of UI funds in support of job creation projects it was again our hope to provide a more productive alternative to those whose immediate job prospects were poor. The question, of course, immediately arises: why not simply refer them to job creation projects financed in the normal way through appropriation? The simple answer is that UI funds could be an important way of stretching scarce funds available for job creation.

I am fully sensitive to the opposition which has been expressed by the representatives of both labour and management to the use of UI funds in job creation. I hope, however, that this will not result in the prevention of a period of experimentation to see whether the problems can be resolved.

In these circumstances it is my view that section 38 in Clause 41 should be retained in the bill. I do, however, give my unequivocal assurance that I would not proceed with implementation until there have been further opportunities for discussion. Specifically, I would propose to refer the question to the newly established advisory council to permit a fuller exchange of views than we have yet been able to have. I would also give my assurance that, if it is clear that no labour or management support for experimentation is forthcoming, these provisions will not be implemented.

The work-sharing arrangements contained in new section 37 in Clause 41 have also been a source of considerable controversy and criticism. Nevertheless, they seem to me to have sufficient potential merit to warrant not only careful consideration but also a trial period in the Canadian context.

I fear there is a danger that work sharing may be dismissed without a fair hearing. My department has undertaken a fairly extensive examination of the experience with work sharing in a number of European countries. These studies do not support the allegation made in some representations that these arrangements in Europe have been a disaster. Quite the contrary, they have become an integral part of labour market policy and programs in Europe and, despite some admitted concerns and criticisms, they have received widespread support from both labour and management.

I see no reason in principle why the advantages which have been obtained in Europe could not be achieved in Canada. Employees who would otherwise have been laid off would be helped to retain their skills and work habits. Employers would be helped to retain their skilled labour force. It is, of course, true that those workers who would otherwise have been retained in full time employment would have their incomes somewhat reduced. That is fully recognized in the title we have given to those arrangements, that is, work sharing. Such arrangements would not, of course, be designed to result in a long term reduction in the incomes of such workers. They would be limited arrangements designed to meet temporary problems.

Dealing with the hon. member for Hamilton West and his motion No. 18, I fully appreciate that in the final analysis whether work sharing arrangements produce positive results will depend on the willingness on the part of workers and employers to support our proposed pilot projects. My understanding is that a number of establishments in Canada have already begun to embark on various forms of work sharing arrangements. In these circumstances I think it is essential to pursue discussions more widely and fully with management and labour to determine whether there is a basis upon which to proceed before we jettison what may be potentially a very good idea.

I give my assurance to the House that, if this provision is retained, I will not authorize its implementation until I am satisfied that there is a willingness on the part of management and labour groups to participate. On this basis it is my recommendation that hon. members of this House support the provisions in Bill C-27 for work sharing.

With respect to motion No. 18 proposed by the hon. member for Hamilton West and with respect to the evaluation of job creation, that motion would require an evaluation to be tabled within one year of proclamation of Bill C-27. Let me emphasize that it is our clear intention to undertake evaluations of all the developmental uses of unemployment insurance funds, including the job creation proposal. I would certainly be prepared to table in parliament the findings of such evaluations.

I find, however, that the provision in the motion would introduce an undesirable element of rigidity. As I have indicated, the job creation proposals would not be implemented until after we had undertaken thorough discussions with the advisory committee. A period of one year following proclamation of the act itself would undoubtedly provide too short a time to assess results. Having given my assurance that we will be undertaking evaluations and making the findings available, I hope motion No. 18 can be withdrawn or defeated.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I listened with interest to the minister, and to the hon. member for Hamilton West (Mr. Alexander) in his earlier comments about some of the stands we in the New Democratic Party

have taken on the various amendments before the House. I would like to say at the outset that unlike the actions of the hon. member for Hamilton West—who read through the various amendments and rejected those proposed by the NDP out of hand just for the very reason, it seemed, that they were NDP amendments—we are going to support his motion No. 18 because we looked at the motion and asked whether it contains any merit, and I think the idea of an annual review of this government's ineptitude is quite worth while.

● (2040)

I am rather disappointed in my friend, the hon. member for Hamilton West. As an experienced member he should know by now that any program of job creation or the like proposed by the Liberals is no more than tokenism. I was surprised at his faith in the job creation and work training programs. He admitted these have not worked in other jurisdictions and he was skeptical about their effects, yet he was willing to give them a year to see how they worked.

This party rejects the idea of the Minister of Manpower and Immigration (Mr. Cullen) using unemployment insurance funds for these programs, not because we are against job creation per se but because we are against stealing funds from the unemployed for them. If the government is serious about creating jobs it should make a budgetary commitment to do so, and not tinker with money that should go to support people who have lost their jobs through no fault of their own.

The minister and his colleagues will not come to grips with the fact of one million unemployed by challenging the existing structure of our economy and our reliance on the private sector to create jobs. That just does not work because of the way the economy is structured. Instead of making that fundamental kind of reorganization and commitment to new industry, and hence new jobs, it prefers to attack unemployment. This bill will apparently save money, but by throwing some 330,000 unemployed people off the unemployment rolls. The savings will be used on make-work projects and job training.

The first reason we objected to this approach is that those 330,000 people will be excluded from benefits under the job creation and work-sharing programs. The money saved by taking people off unemployment insurance will go toward creating jobs for others. Only those who are still receiving benefits will qualify under this make-work project.

The other reason we oppose the amendment to Clause 41 is that if people on unemployment insurance accept jobs on these federal government work projects they will be paid out of UIC funds. It should be remembered that work on such projects will not be considered as employment and will not make people eligible for future UIC benefits. It is tokenism. Anyone who joins in the scheme knows that it is a phony make-work scheme; it is not real employment. He knows it is not taken seriously by the government and that he will never qualify for benefits on such schemes. It is a very cheap way for the government to get work done.

Surely it is far better to have people sit idly by collecting unemployment insurance than to move into this phony kind of busy work or job-creation scheme. The government should get going and create jobs instead of tinkering with the unemployment insurance scheme and making it look as if it was doing something creative. It is not fooling members of this House. It is not fooling the unemployed. A previous minister of manpower and immigration, Jean Marchand, who is now in the other place, in the course of a debate in this House in 1966 said:

> The hon. member made a suggestion with which I basically disagree when he said we should try to find part-time work for those who draw unemployment insurance.
>
> Unemployment insurance is a type of insurance. The people who get unemployment insurance are not living on public charity. If we give start to competition between workers and those who are on unemployment insurance, I fear we will create an unbearable situation. Those people start working for lower salaries and will finally end up competing with regular workers. To my mind we must instead find regular employment for the people on unemployment insurance, full-time jobs that will afford them a livelihood. We must not allow them to compete against the working class.

The former minister recognized the hazards of the slippery path upon which the present minister is about to embark. This kind of program will neither be productive for the unemployed, for those who are already employed nor, indeed, for employers. For these reasons we object to this scheme, not as the hon. member for Hamilton West implied, because we are against job creation per se.

The other thing I object to is that the money saved from throwing people off the unemployment insurance rolls will be available for on-the-job training of people eligible for UIC. When we look at the budgets for the department from 1970-71 to 1974-75 we see that it has spent up to 75 per cent of its budget on training. Where are those people who have been trained? Where are the jobs?

● (2050)

We retrain people, keep them off the streets, supposedly off the unemployment rolls, to what end? There are no jobs for them. People who know anything about the program concede that after the training is finished the trainees will not find jobs, because there are none. That is why we say the program is phony and the minister's proposed changes meaningless, for the jobs are not out there, in the first place. Taking money out of unemployment insurance and putting it into training is ridiculous. My colleague from Nickel Belt has told the House of the many hairdressers and clerks trained under the retraining program for non-existent jobs. I repeat, the minister's changes are meaningless, phony, will harm the work ethic in this country, and heap indignities on the unemployed.

In the few minutes remaining may I speak on motion No. 14, standing in my name? The government wants to pay extended benefits only to those who have worked 26 weeks or more, and the minimum requirements in this regard are being extended. Those lucky enough to work 20 weeks in areas of high unemployment will, under existing formulas, also be eligible for extended benefits. The government realizes how difficult it is to find work in high unemployment areas and, accordingly, will allow the unemployed to collect benefits for a longer period. But the government's new proposals for cutting back extended benefits will create hardships in Atlantic

Canada, Quebec, northern parts of Canada and elsewhere for people who need extended benefits and who, because of the slowdown in the economy, cannot find jobs right away after being laid off.

The extended qualifying period set out in clause 41 is another example of the government's regressive thinking, for it is trying to fight unemployment on the backs of the unemployed. Instead of creating jobs it will discriminate against those who suffer from the Liberal government's mismanagement of the economy. For all these reasons the NDP cannot support the minister's proposals. I hope Liberals and Conservatives representing economically depressed areas are aware of the hardship this bill will work on the unemployed, and will speak against those provisions of the bill to which I referred. To do otherwise is to turn one's back on one's constituents, which no member of parliament should do.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I had not intended speaking in this debate, but since the hon. member for Hamilton West (Mr. Alexander) said some nasty things about my friend, the hon. member for Nickel Belt (Mr. Rodriguez), and called him a little rascal, I must point out who has been the big rascal for the past few years in our unemployment debates. I see that as soon as we go after him he walks out of the House.

Mr. Alexander: No, I am still here.

Mr. Nystrom: You would think that the Conservative party, including the hon. member for Hamilton West, has been defending the unemployed. The hon. member tries to make out that he has been attacking the big, bad government for how it has treated the unemployed. That big, bad rascal, the hon. member for Hamilton West, forgets what he told the government a few years ago, and I feel it appropriate to remind him, because his memory seems faulty.

Mr. Knowles (Winnipeg North Centre): He is an honourable rascal.

Mr. Nystrom: Yes, he is an honourable rascal. On February 1, 1977, he said that back in 1971, when fewer were unemployed and the economy was healthier, he remembered telling the minister who was responsible for bringing in this monstrosity of a law to include in the program incentives to work. He suggested that 12 weeks of employment should be the minimum qualifying requirement, but the minister said, no. He said he had made that point six years ago. The hon. member for Hamilton West said in the House that the minister was going to be hard on the unemployed; but the rascal from Hamilton West suggested that the minimum attachment period should be extended from eight to 12 weeks.

The hon. member for Provencher (Mr. Epp) is quoted in the Montreal *Star* of January 13, 1977, as saying this:

> It is my personal view that the 12 weeks should be increased to levels in the former UIC program of 20 weeks. It is evident the changes are necessary and the government should be commended for introducing these changes . . .

The hon. member for Provencher supported the great changes the minister wants to make to the unemployment insurance program; at the same time the hon. member for Hamilton West is attacking the hon. member for Nickel Belt, saying he is against job creation. He could not even quote him correctly. Really, the hon. member for Hamilton West and other members of the Conservative party talk out of both sides of their mouths.

My hon. friend from Nickel Belt tells me that when the hon. member for Hamilton West and his colleagues meet the trade unions they talk about the big, bad government across the way, and condemn it for trying to hurt the working people and short change them with unemployment insurance benefits. As soon as the trade union people leave, they talk out of the other side of their mouths, speak of all the abuses against the unemployment insurance fund and say the sorts of things I read into the record a moment ago. It seems that the hon. member for Hamilton West has a convenient memory. He and his colleagues remember what they want, depending on their audience and whom they are addressing.

Time and again the Conservative members have said they want the qualifying period extended, benefits to the unemployed cut, and so on. The big rascal from Hamilton West represents a working town. I was in Hamilton last Saturday night and Sunday, and noticed that it is a working class town, a steelworkers' town. Many in the town are worried about unemployment, and many have been laid off. I took a taxi with a guy who worked for Stelco for 20 years and was laid off. He had been getting UIC benefits, but was cut off.

Mr. Paproski: What! You can still get a taxi?

Mr. Nystrom: He finally got a job driving a taxi part time. He was trying to make a few bucks. He had a family to raise and a home to keep. You would think the member for Hamilton West would be interested in helping people like that. But no. The hon. member wanted to extend the minimum attachment period.

I look forward to the day we televise this House, because then the people of this country will see how Conservative members speak out of both sides of their mouths.

Mr. Dionne (Northumberland-Miramichi): As you do.

Mr. Nystrom: Mr. Speaker, if only the constituents of the hon. member for Northumberland-Miramichi (Mr. Dionne) could see him in the House today! About 30 per cent of his constituents are unemployed, but he is arguing in this House that we should make the unemployment bill more restrictive and tighten it.

Mr. Dionne (Northumberland-Miramichi): I never did any such thing. Now who is talking out of both sides of his mouth?

Mr. Nystrom: Mr. Speaker, I suggest the hon. member is doing precisely that. I, the hon. member for Sault Ste. Marie (Mr. Symes), and the hon. member for Nickel Belt spent much time this afternoon trying to convince the House that the

bill will make the Unemployment Insurance Act more restrictive, more tight, and work hardships on ordinary citizens.

The hon. member for Northumberland-Miramichi supports the bill and is running interference in this House for the Minister of Manpower and Immigration (Mr. Cullen). He is out there in front, taking the flack for the minister, and in his riding 30 per cent of the people are unemployed.

Mr. Dionne (Northumberland-Miramichi): You are talking nonsense.

Mr. Nystrom: Mr. Speaker, the hon. member often speaks while sitting on his brains. He likes to interject while sitting in his chair. If we had television in the House of Commons, his constituents would see what kind of a guy he really is, that he is not looking after their interests. In fact he would probably no longer be their member. That is why many members in the House oppose televising these proceedings.

● (2100)

If the hon. member for Hamilton Mountain (Mr. MacFarlane) has a question, I will be pleased to answer it. He does not have a question. I wish the Liberals would get up and make some speeches in the House. They seem to get sensitive when we talk about the problems affecting the ordinary Joe. He comes from the same town as the hon. member for Hamilton West. Both those members are concerned about how strong the NDP is in that city.

Some hon. Members: Oh, oh!

Mr. Nystrom: I know that in the case of Hamilton West the NDP stole a seat from his party in the election held two or three weeks ago.

Mr. MacFarlane: Not my party.

Mr. Nystrom: There is no difference, really. The Conservative party is the same as yours. You are birds of a feather. There is no difference in philosophy. You can see how sensitive the Liberals and Conservatives get when we in this party start talking about the real issues affecting ordinary people.

This bill, and this motion moved by the Minister of Manpower and Immigration, will tighten up the Unemployment Insurance Act. The hon. member for Hamilton West was misleading the House by saying that the hon. member for Nickel Belt is against job creation. The hon. member for Nickel Belt has talked about job creation time and time again, but not the type of job creation that is in this bill.

The job creation in this bill is another handout by the government to large corporations. It is the Santa Claus that we see so many times from Liberal and Conservative governments.

We have here what they call work sharing. What does work sharing mean? It means that if a company has to lay off one quarter, one third or one half of its workers, the company can get some help from the Unemployment Insurance Commission to keep the workers working. They can work half days or half weeks and collect not only part of their salary from the company, but be subsidized by the Unemployment Insurance Commission.

Mr. Alexander: Don't look at me when you talk about work sharing; look at him.

Mr. Nystrom: The hon. member for Hamilton West is becoming very sensitive. As soon as I start talking about an issue on which he agrees with the government, he gets very sensitive. That is why when he spoke he did not say anything concrete, but only called the hon. member for Nickel Belt a few names. When you start calling people names, you know you have lost the argument.

The work sharing program is not going to create any jobs. It would only be a subsidy program by the Unemployment Insurance Commission to some of the large corporations. That is all it will be. The hon. member for Hamilton West knows that. That is why he supports this motion. The Minister of Manpower and Immigration knows that, and that is why he has moved the motion before the House at the present time.

We know there is a real deficit in the unemployment insurance fund. In 1977 the plan is going to cost some $3.8 billion. The guess for next year is around $4 billion. However, we do not have any programs to create jobs in a concrete sense. We have Liberals and Conservatives supporting a program whereby the unemployment insurance fund will subsidize a few large companies.

The second part of the motion before us deals with what is called creative use of unemployment insurance benefits. What are creative uses? I would like more elaboration on what is meant by that. If there is an archaeological dig in the home city of the hon. member for Nickel Belt, Sudbury—

An hon. Member: They won't find anything there.

[*Translation*]

The Acting Speaker (Mr. Clermont): Order please. I recognize the hon. member for Yorkton-Melville (Mr. Nystrom). The hon. member for Hamilton West (Mr. Alexander) spoke a few minutes ago, so if he wants to speak later, he will have the opportunity, but for the moment, I recognize the hon. member for Yorkton-Melville.

Mr. Nystrom: Yes, I understand quite well, Mr. Speaker. Thank you. I think I still have four or five minutes to continue my speech on the motion of the Minister of Manpower and Immigration (Mr. Cullen).

[*English*]

I was talking about creative use of unemployment insurance benefits. I was saying that supposing there was an archaeological dig—

The Acting Speaker (Mr. Clermont): Address yourself to the Chair, please.

Some hon. Members: Hear, hear!

Mr. Nystrom: I always respect the Chair, Mr. Speaker. The problem is the Conservatives are asking questions from behind the curtain. They are not even coming into the Chamber.

Mr. Symes: I rise on a point of order. It was the hon. member for Surrey-White Rock (Mr. Friesen) who was heckling from behind the curtain.

Mr. Nystrom: I was talking about archaeological studies in Sudbury. My understanding is that under the second part of the motion with regard to creative use of unemployment insurance benefits, unemployed people can participate in creative things such as an archaeological study in a place like Sudbury, and still draw unemployment insurance benefits. In principle that may sound very well, but I suggest there will be problems with that type of program.

If an archaeological dig is worth-while, why is it not supported by government funds with people hired on a full-time basis for a full time job and with some kind of future? Programs of that sort, whereby people drawing unemployment insurance benefits can work a bit on the side, will probably create a backlash in the community and some resentment. Some people will become known as the type who are on unemployment insurance benefits a lot, like to work a little bit in programs of this sort, and go back on UIC benefits. That will create a backlash for the unemployment insurance program. It should be an unemployment insurance program and not a program to subsidize people who work part-time on certain programs.

The third point about the motion before us is the training program. Training programs are fine and well, providing there are jobs to go to once the person is trained. That is one of the problems we have in Canada. We have a very high rate of unemployment. To train someone for a non-existent job is demoralizing.

I can speak from personal experiences in my area. A number of native, Indian and Metis people and lower income white people in my constituency have been trained for a specific job or a specific skill. When they got out of the training program they found there were no jobs for them to go to and, understandably, they were frustrated. The psychological effect is bad. The government has done a good thing by training them in a new skill, but when they cannot find employment to exercise it, the effect is negative and they have to fall back again on assistance from the state.

● (2110)

I could give other examples of make-work programs in my riding where people have been left without resources once the projects run out. Along with these programs it is imperative that the government create more jobs. There should be tax cuts introduced in favour of lower and middle income people—they would use the extra money to buy clothing, shoes and so on, goods which are labour-intensive and whose manufacture provides employment. There should be an extension of the housing program as one way of putting people to work, not only directly but indirecly, besides accomplishing a useful social purpose. If the government were to do these things, the training program itself would be more effective.

I know that members in our party have had considerable influence with the minister in terms of amendments to this bill. One of the reasons we are participating in this debate so forcefully is to ensure that the unemployed are treated more fairly and that they have jobs to go to. Canada is a country of great resources and technical ability. All we need is a government plan to put people to work through the creation of wider employment opportunities.

I hope the minister will reconsider his opinion, and I hope the official opposition, led by the amiable and affable member for Hamilton West—even though he is a big rascal sometimes—will oppose the motion as I do, in which case perhaps we shall see a constructive change in these proposals. I trust the official opposition will bear in mind the interests of the little man, the working man the Conservative party always talks about. I see the hon. member for Edmonton Centre (Mr. Paproski) is rising, no doubt to make a speech, so I will end my remarks at this point.

Mr. Cullen: On a point of order, Mr. Speaker, motion No. 5 in the name of the hon. member for Hamilton West (Mr. Alexander) is consequential to motion No. 16. If motion No. 16 is negatived there would be no vote on No. 5 Similarly, motion No. 6 in the name of the hon. member for Nickel Belt (Mr. Rodriguez) is consequential to motion No. 17, so it seems to me it would be appropriate to place them in the group upon which we are voting now.

Mr. Alexander: There can be no doubt about what the minister has just said. We have been dealing with job training, job creation, and work sharing. If my memory serves correctly motion No. 5 is in my name and motion No. 6 is in the name of the hon. member for Nickel Belt (Mr. Rodriguez)—he is a great Canadian but he is still a little rascal. We have talked about job training and work creation, so we might as well lock those motions in when we are voting in due time.

Mr. Deputy Speaker: I should like to hear the views of the hon. member for Nickel Belt (Mr. Rodriguez) on this question.

Mr. Rodriguez: We on this side have no objection to putting motion No. 6, which stands in my name, together with the other motions mentioned on this group. They are certainly related.

Mr. Deputy Speaker: Of course, when we get to put the question we will proceed in that way, but the Chair suggested that the question be put on motion No. 17 before motion No. 16. An affirmative vote on motion No. 17, would also dispose of motion No. 16. It is only if motion No. 17 is negatived we would have a vote on motion No. 16.

Mr. Alexander: Motion No. 17 does dispose of motion No. 6 and motion No. 16 disposes of motion No. 5.

Mr. Deputy Speaker: That was in my mind to say, anyway.

[*Translation*]

Mr. Deputy Speaker: I was going to put the motions but the hon. member for Bellechasse (Mr. Lambert) rose. I do not want to prevent him from speaking because I do not know whether he wanted to contribute to the debate. Is the House ready for the question.

Mr. Lambert (Bellechasse): Agreed.

[*English*]

Mr. Deputy Speaker: The first question is on motion No. 13 in the name of the hon. member for Winnipeg North (Mr. Orlikow).

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: Accordingly the recorded division on motion No. 13 stands deferred.

The question now is on motion No. 14 in the name of the hon. member for Sault Ste. Marie (Mr. Symes).

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: Accordingly the recorded division on motion No. 14 stands deferred.

The next question is on motion No. 18 in the name of the hon. member for Hamilton West (Mr. Alexander).

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

• (2120)

And five members having risen:

Mr. Deputy Speaker: Accordingly the recorded division on motion No. 18 stands deferred.

The House will now proceed to the division on motion No. 17, standing in the name of the hon. member for New Westminster (Mr. Leggatt), which will also dispose of motion No. 6. All those in favour of motion No. 17 will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: Accordingly the recorded division on motion No. 17, which will also dispose of motion No. 6, stands deferred.

It is not possible at this time to put motion No. 16 until a decision has been rendered on motion No. 17. If motion No. 17 is negatived, the question will be put on motion No. 16. If it is adopted, then motion No. 16 is automatically disposed of. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The House will now proceed to the consideration of motions Nos. 20 and 21 appearing in the name of the hon. member for New Westminster (Mr. Leggatt) and the hon. member for Nickel Belt (Mr. Rodriguez). These two motions have been grouped for debate but are to be voted on separately. Does the House agree that they be grouped together for debate?

Mr. Rodriguez: Mr. Speaker, on a point of order, motion No. 20 seeks to do something entirely different from motion No. 21. Motion No. 20 seeks to delete clause 43; motion No. 21 seeks to delete part of clause 48. Those are two entirely different situations and I think they ought to be debated separately.

Mr. Deputy Speaker: The point raised by the hon. member for Nickel Belt is well taken. Mr. Speaker indicated that the two motions could be debated separately but left the door open. If the hon. member prefers that they be debated separately, he has made a very good point and so the House will take them one by one.

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. Leggatt) moved motion No. 20:

That Bill C-27, An Act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended by deleting Clause 43.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, when Bill C-27 was before committee we had an opportunity to examine one provision of the Unemployment Insurance Act which I have always had difficulty accepting. Clause 43 provides:

Section 47 of the said Act is repealed and the following substituted therefor:

"47. (1) Where the Commission becomes aware of facts that in its opinion establish that a claimant or any person on his behalf has, in relation to a claim for benefit, made a statement or representation that he knew to be false or

misleading or, being required under this Act or the regulations to furnish information, furnished any information or made any representation that he knew to be false or misleading, the Commission may impose a penalty on that claimant not greater than an amount equal to three times his weekly rate of benefit.

In other words the commission has now become judge and jury of its claimants who may or may not knowingly have given the commission false information. The commission will determine whether any claimant gave wrong or false information, and I suggest this is the type of provision we should be very careful about when we pass legislation. In other words the commission is substituting itself for the courts of this land; it will determine guilt or innocence and levy punishment by way of fine.

I am just a little school teacher from the backwoods of northern Ontario, but I had always thought that only the courts could levy fines following upon a judgment that had been made. This commission is now being given the power to substitute itself for the courts of the land to decide what is or is not deliberately false, in my opinion denying claimants the due process of law which every free Canadian has the right to expect. It seems to me that we have an opportunity here to eliminate this provision.

In committee I argued that if the commission has instances where it suspects, or it is alleged, that claimants have deliberately misled the commission and have collected benefits as a result thereof, it ought to take the necessary action by proceeding through the courts of the land. If a claimant feels that he should come clean and he admits that he has indeed misled the commission, then he may do so and repay whatever is owing to the commission. The commission would have the choice whether to take the claimant through the courts. That was the basic argument I made in committee.

I realize there are other acts of parliament that give certain bureaucrats in this country this kind of power; but I am very leery of this sort of thing because it seems to me that every time we do this we give up a bit of that due process of law for which many of us have stood and fought to maintain. In our amendment we try to eliminate this provision in the bill; and if we see this kind of provision in any other bill I am sure the members of this party will attempt to remove it.

The reply of the minister and his bureaucrats in the committee was that this gave them a little leeway. They said, "What do you want us to do, take every claimant who has deliberately misled the commission to court?" I could be very impressed with the concern that the bureaucrats in the Unemployment Insurance Commission have for poor people were it not for the fact that daily I see how these people are treated in UIC offices across the land. Very little concern is shown in regard to informing them of their rights.

● (2130)

There is an example of someone going into the unemployment insurance office and informing the officials there that she is going away. That person has been on claim and she goes into their office and says, "My sister in Winnipeg is in hospital. She has had a nervous breakdown. I am going to help take care of the kids." You have to notify the commission when you are not available for work. Well, she did that, and the person in the office said, "Go ahead and do that. That is fine." But that person failed to inform her that four weeks on nil pay means that the claim is at an end. The officer forgot to inform the claimant of this one fact. One would think the commission should be helpful to its claimants.

We on this side are very concerned. Everybody should not have to go through the courts. I will settle for a little sensitivity on the part of the commission in dealing with claimants. I see hon. members smiling, but they do not have this problem. They do not have to line up at the unemployment office.

I should like to return to my example of this woman. When she returned, she went into the unemployment insurance office and said, "I am looking for work again." They replied by saying, "You have had four weeks on nil pay. Good-bye." Claimants who come before commission employees should be informed of this fact.

I have had considerable experience in regard to the situation of the *Journal* workers. This is a saga which is worth telling—the whole question of the *Journal* workers' endeavours to get unemployment insurance. They were told offhandedly that their dispute was industrial and they had no right to claim.

The role of the UIC is to help a claimant process a claim, if there is one. As a matter of fact at one time the unemployment insurance office had a placard depicting someone in a maze. That placard was entitled: "Let us help through the maze". After five minutes with the UIC, a person realizes that they are the ones who need help to get through the maze. A claimant becomes more lost in the maze after going into one of their offices than he was before he went in there. A good example is the whole fiasco of the *Journal* workers trying to establish a claim. In that instance they went through the whole process to the board of referees. The exhibits which were presented in that hearing were mislaid. They got lost somewhere in the maze of the UIC. As I have said, I have had considerable experience with them.

There was a time when Mr. Cousineau, the former Commissioner of the UIC, spent more time in my office than he did at his own office. I am sure they have a foot thick file of letters from me. These letters indicate hundreds of cases where people were improperly dealt with, the decisions handed out indicated insensitivity and they also indicated a lack of humanity toward the claimants' concerns. In the committee I was told that this is what they were forced to do because we wanted all of the cases put through the courts.

Justice must be served, and the only place justice can be served is in the courts of the land. It cannot be served in the backrooms of the Unemployment Insurance Commission where somebody sits and decides if a claimant is willingly and knowingly misleading. These are the same people who say, "Look for obvious signs of pregnancy. Look at the woman's face." During the interview of a potential claimant, who is applying for maternity or pregnancy benefits, their officers are instructed to look for signs of pregnancy. One case which comes to mind is that of a young man who came to me—

An hon. Member: About pregnancy?

Mr. Rodriguez: No, he was not applying for pregnancy benefits. He had been down to the UIC office after being called in for an interview. He happened to have in his hand a Slazenger satchel, which is a little carrying bag. He was being interviewed, and the officer said, "Do you play sports?" He said, "Oh, yes. Usually after I finish looking for work in the afternoon when I am up town, I go to the YMCA and work out." They arrived at the decision that this man was obviously not available to work because he was prepared to go and play sports, and he was taken off unemployment benefits. This man was forced to come to a federal member of parliament. He had to go through the process of trying to get the decision revoked.

I have literally hundreds of incidents similar to that. One would assume that the situation is open, cut and dried. These are the same people who want the power and authority to decide if someone is deliberately misleading the UIC with their statements. They would not know a misleading statement if it came up and hit them in the face. Many of the statements they have deemed to be misleading arose from the imagination of the interviewing officers of the commission.

Mr. Young: Misleading, like your speech.

Mr. Rodriguez: The hon. member for Niagara Falls (Mr. Young) can make his own remarks, if that is what he wants to do. It is too bad he will not come out here and make his speech.

There was a time when I used to report 125 cases a month—names and social insurance numbers—to the former commissioner of the UIC, Mr. Cousineau. These were cases where decisions were based on suspicions about the behaviour of people. The commission is saying that parliament should give them the power to determine—be the judge and jury—whether information given to them was willingly and knowingly misleading. A person is entitled to an open hearing in a court to establish whether he has willingly misled or knowingly misled, or in fact gave information not knowing the information was incorrect. We have a court set-up in this country and there are also legal services available. We have legal aid in 99 per cent of the provinces of this country. Lawyers are there to assist persons who want justice in open courts.

● (2140)

I am leery, I am fearful of giving these bureaucrats power. We have seen the abuse of power by bureaucracies, and it is time we returned the decision-making regarding our people to the courts. The bureaucrats are not the people's masters, they are the servants of the people, and it is the courts which should decide whether or not a claimant has infracted the law and should suffer the penalties under the law. It should not be the decision of the bureaucrats, and least of all the bureaucrats of the Unemployment Insurance Commission. Can you imagine the mess we will have when we put Manpower and UIC together? The idea of melding those two boggles the mind. That is why we in this party prefer to eliminate this clause from the bill.

The Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on motion No. 20 stands deferred.

The House will now proceed to the consideration of Motion No. 21 in the name of the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. John Rodriguez (Nickel Belt) moved motion No. 21:

That Bill C-27, An Act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in Clause 48 by striking out line 42 at page 26 and substituting the following therefor:

"and to which he was entitled, regardless of any changes in the claimants eligibility status since that time, the Commis-"

He said: Mr. Speaker, this motion is one that I feel is extremely important. The reason that my party has put in this amendment has reference to a particular issue which came to light in the last few months.

As the house will recall, we passed a bill—historical perspective is important—Bill C-69, last session. It became effective on January 1, 1976. At that time there was a provision in the bill that anyone aged 65 or over would no longer be able to pay premiums to the Unemployment Insurance Commission nor receive benefits. There were thousands of Canadians who had established their claims prior to the coming into force of that law, but lo and behold, when the law came into effect on January 1, 1976, the bureaucrats in UIC—I am glad I just dealt with this matter to some extent a few minutes ago—promptly sent out letters to those people aged 65 and over who had established their claims saying, "now that we have passed this bill, because you are aged 65 you cannot collect unemployment benefits", and they were cut off.

You must realize that we are dealing here with people 65 years old and over, and some could have been up to 69 because 70 was the previous cut off age. Many of them having received this formal letter from the UIC said to themselves that obviously they could not fight city hall. Many of them received this letter as the official word on their claim, but 400 of them appealed the decision. That decision went all the way through to the courts of the land, and the courts ruled that these people were entitled to unemployment insurance benefits and that the

government could not pass retroactive legislation. There were thousands, about 17,000 of them, who were cut off claims. These people felt that they should get the same benefits on their claims.

The hooker in this was that when people received the letter and accepted the decision of UIC, they promptly applied for Canada Pension or Quebec Pension. However, in the Unemployment Insurance Act it says that you cannot collect both unemployment insurance and Canada Pension or Quebec Pension, so the commission said, "We cannot pay you people because you disentitled yourself by applying for Canada Pension or Quebec Pension".

Having had that experience, when we came to this clause in Bill C-27 the opportunity arose for members on this side of the House to build in a protection against such future exigencies. We came up with this amendment which says that if a person established a claim and was entitled to it, but later it was found by the commission that it had made a mistake on the claim, they had goofed in whatever decision they made and the benefits were denied, the commission would pay the claimant back whatever it owed him or her, irrespective of whether or not the claimant received the Canada Pension or the Quebec Pension.

We put in this amendment because we argue that if the commission goofed, then a claimant is entitled to the benefits and his status cannot be used to say to him, "We goofed, but your status has changed so we cannot pay you what you are entitled to because we made the mistake." On the other hand the commission has the power under a clause in Bill C-27, which we are trying to amend, to claim money from a person who owes the commission money. They can collect from that person for that goof. If it can work one way—and it does not matter what the status of the person might be by then they might be collecting old age pension—why can it not work the other way?

Under a clause in Bill C-27 the commission has the right to collect from a person irrespective of what that person's status might be, but on the other hand the claimant does not have the right to collect from the commission when the commission goofed on the claimant's claim if his status is changed. This eliminates him from collecting unemployment insurance benefits. I do not think that is fair. From my experience with the Unemployment Insurance Commission, it is never the commission that loses but always the claimant—heads they win and tails they win.

● (2150)

There never comes a point when as a result of a mistake by the bureaucracy the claimant is reimbursed. That is why we took this opportunity to try to amend the clause. When we introduced it in the committee, the bureaucrats threw up their hands and indicated that we were opening it up too widely. When it was broad on the commission's side I did not hear them saying that that was not fair to the claimants and that it was too broad for the commission. We put this in specifically to protect claimants whose claims are goofed up by the commission. They have a right to that money on which the commission makes mistakes. These claimants should be able to go back and collect retroactively, regardless of their present status.

This is a simple case of justice and of making the bureaucracy accountable for the mistakes it makes. If a series of mistakes is made in a region, there must be something wrong in the way the program is being administered in that region. It seems to me that this is a good way to hold the commission accountable for the act it is administering. It is no wonder we are getting an offhand approach to the administration of the act down at the bottom. If mistakes are made, it seems that only the claimant suffers. If a mistake is discovered, the commission does not have to worry. It is not marked down somewhere that it made a goof on, perhaps, sixteen cases and that the cost to the taxpayer was "X" dollars. We have to be fair. If the commission has the right to go back to a person in whose claim a mistake was discovered, then a claimant should have the same right to collect, irrespective of his status at that later time.

A claimant should have the right to collect from the commission if it is discovered that the commission goofed, even if that claimant's status has changed. That is the argument being used with regard to the Quebec Pension Plan and the Canada Pension Plan as a result of the law which came into effect on January 1, 1976. I do not see how any reasonable person can deny claimants that right.

I have been around here only a short period of time, but in this Chamber in situations such as this what is really lost is an opportunity to debate effectively. Once the bureaucracy sets up its legislation the minister seems to run on a track. He is not prepared to accept any of the suggestions which come from this side of the House, and we do not come close to reaching solutions to our problems. What we develop in this Chamber is just shrugged off in an offhand way. What we have is time consumption rather than a meaningful approach to legislation and trying to come up with solutions. This amendment has been brought before the House in the hope that the government might recognize that there is some legitimacy in some of the points we raise. I think it is important that if a mistake is made by the bureaucracy, claimants have the knowledge that there will be justice with respect to what is coming to them, irrespective of their status after the discovery of that mistake.

Surely the important thing is to discover goofs when they are made, and by doing that we are not opening things up too widely. The commission should want to correct errors. That should be one of the prime concerns of those responsible for administering the act. They should want to administer the act fairly and correctly. If mistakes are made—and they are going to be made; after all, there are over one million people who collect benefits at any one point during the year—it is very important that the people who are served by the commission are assured that if those mistakes are made they will be corrected, and they will receive the benefit which is due them.

To argue that we are opening things up too widely, as the bureaucrats do, gives me the impression that the bureaucrats

wonder who I am to question them. They think they have the interests of claimants in their hearts, and they wonder who I am to question them. It is very important that bureaucrats realize that they are the servants of the people, not their masters, nor the masters of the political system. Deputy ministers go on and on. Ministers come and go. Top bureaucrats go on and on, and I think the government ought to take a very good look at that. The people of the country should know that those they have elected to govern are in control and that bureaucrats are not allowed to become our masters.

If I were a minister and someone proposed an amendment and I found a small point which needed correcting, I would want to find out how to correct it. If things are not broad enough, we must recognize that justice is not being served to those who, on the instructions of the commission, have changed their status. Surely a minister should not accept excuses from his bureaucrats. He should ask for ways to solve problems. He should ask for amendments, and he should talk to hon. members in an effort to solve problems raised by them. Perhaps that is a strange way of looking at it, but that is the only way the people can be assured that bureaucrats are not running things and that the people elected and who have political power are the ones responsible for the programs which are paid for by the people. That distinction should be driven home time and time again.

I have seen ministers come and go in the Standing Committee on Labour, Manpower and Immigration. Bureaucrats war among themselves in an effort to have the most influence with ministers. They struggle to see whose ideas are going to get through to ministers. Ministers should be leery of that. They have to be in control of their departments. The minister is aware of this, and he knows the problems that were caused with respect to those who were cut off under Bill C-69 on January 1, 1976. He knows the problems, and he knows the people feel resentment. They believed the letter under the letterhead of the Department of Manpower and Immigration, with the signature, which told them that now they had reached age 65 they were no longer eligible for unemployment insurance benefits pursuant to Bill C-69.

● (2200)

They bamboozled the people with that stuff and, thinking it must be right, the people did not attempt to take on such a powerful organization as the government. Since they could not afford to live on what they were getting and could not collect unemployment insurance they registered for the Canada Pension. That meant that immediately, according to the rules, they became ineligible for unemployment insurance benefits. We discovered the mistake, but when we wanted to have it corrected we had a hard time convincing the minister and the bureaucracy. We got the run-around in this House; one story from the minister one day and another story the next day.

Unsigned letters were sent to me by the assistant deputy minister that contradicted everything. If that is the way decisions are made in the department, then God help us.

[Mr. Rodriguez.]

I appeal to the minister to recognize at least the argument calling for justice for these people. That is the purpose of the motion. In many cases in this country people have appealed to the board of referees and have been turned down on a two to one decision. Not being familiar with the process they never appealed further. Later, a similar case may have been decided differently by umpires. So it is possible for an appeal to be denied, not because the applicant does not have the legal right to benefits but because of ignorance of the law and the way the Unemployment Insurance Commission is administered.

There is a lot of merit in this particular amendment, Mr. Speaker, and I have tried to make members aware of it. The minister should recognize the problem and that it can be solved along the lines I have outlined in order to make things fair for everybody.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I just want to supplement what my colleague was saying but I will not belabour the point because I know the hon. member for Yorkton-Melville (Mr. Nystrom) wants to speak on his motion.

I want to say something on behalf of people who come before the Unemployment Insurance Commission and have to deal with complicated regulations and with bureaucrats. As a member of parliament I have come across a number of people who have been treated badly either because of regulations affecting them when they have reached 65 years of age, or because they may not have understood the regulations and were penalized by arbitrary decisions on the part of the bureaucracy. Can we not define these things in the bill in a way which will make more human the workings of the Unemployment Insurance Act? Surely the minister could engage in ongoing discussions with his deputy who, in turn, could consult other officials down the line, and emphasize that they are civil servants who are there to help the public.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on motion No. 21, in the name of the hon. member for Nickel Belt (Mr. Rodriguez). All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: Accordingly, the recorded division on this motion stands deferred.

The House will now consider motions No. 23 and 24. It has been suggested that they should be grouped for purposes of debate only but voted on separately. I will put motion No. 23, and thus will bring motion No. 24 before the House as well.

Mr. Lorne Nystrom (Yorkton-Melville) moved motion No. 23:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in Clause 50 by striking out line 17 at page 27 and substituting the following therefor:

"the House of Commons, fix the rates of".

Mr. Walter Baker (Grenville-Carleton) (for Mr. Alexander) moved motion No. 24:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in Clause 50 by striking out lines 17 to 24 at page 27 and substituting the following therefor:

"The Governor in Council and on notice to the House of Commons by way of ministerial statement within five days of such approval, fix the rates of premium that persons employed in insurable employment and the employers of such persons will be required to pay in that year to raise an amount equal to the adjusted basic cost of benefit under this Act in that year as that cost is determined under section 63."

Mr. Nystrom: Mr. Speaker, motion No. 23 is relatively straightforward. Since it concerns the principle of political accountability I hope all members will support it. It seeks to amend Clause 50, which has to do with premiums employers and employees pay into the unemployment insurance fund.

Clause 50 says that in respect of each year, "the Commission shall, subject to approval by the Governor in Council, fix the rates of premium . . ." My motion would remove the reference to the Governor in Council and in its place put "the House of Commons." The amendment would make us all more accountable politically for what happens to the unemployment insurance fund. Changes in premiums would need to be approved in this House where members can question the minister and either approve or not approve recommendations he makes on behalf of the Unemployment Insurance Commission. In that way we should make democracy work in the real sense of the word. All too often our public servants make important decisions—in saying this I do not mean to criticize public servants. They act first, and the government follows, and by the time it knows what is happening—and I point to the example of the former Solicitor General and his position with respect to the break-in in Montreal—

Mr. Rodriguez: A cover-up.

Mr. Nystrom: —it is too late. All too often the ministers come into the picture after the bureaucracy has made the important decisions. Accepting my motion would ensure that the House of Commons would consider all premium changes. In the past the commission has imposed higher premiums on employers and employees all too often without the approval of the Governor in Council. My motion would change these conditions and provide for political responsibility, and thus make democracy work better. After all, unemployment insurance premiums are another form of tax on the working people of this country, a tax which in total amounts to several billion dollars a year. Therefore we are not talking about small amounts of money; we are talking about billions of dollars. In many ways this is a tax bill. When we have a tax bill we, as members of parliament, should have some input.

● (2210)

I hope that members on all sides will realize that this is a totally non-political amendment and will support it. I see the hon. member for Northumberland-Miramichi (Mr. Dionne) is laughing in a very positive way this time. He is not being negative now. He is about to leap to his feet and utter some words of support for this highly rational and sensible motion that we are moving. I am sure that the members of the Conservative party will do the same because they profess to be great democrats.

I anticipate that we will have no problem getting this motion through the House and that we will have the co-operation of everyone concerned, including the House leader of the Conservative party.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I listened very carefully to what the hon. member for Yorkton-Melville (Mr. Nystrom) spoke about in connection with his amendment. While all of us in this House agree with the principle of accountability, we have to bear in mind the question of flexibility and the ability of the government to move on these things.

I do not want to plead the government's case, but motion No. 23, allowing the House of Commons to fix the rates does cause some danger in terms of flexibility. This is what concerns me about it.

The House of Commons traditionally rises at the end of June, the first of July or thereabouts. At least we always hope that will happen. It usually stays out for a long time, until the fall, when there might be some necessity for a change to be made. There is also the matter of the period of an election which could be called to add additional time to the time in which the government legitimately might wish to make changes. I would be very much concerned if it would make changes only for the sake of change during election time. I cannot believe any government, even this government, would do that.

I listened very carefully to the hon. member. He suggested this could perhaps be done by way of resolution. He said that would offer an opportunity to question. I do not think that would happen. There would be a resolution all right, but certainly not the questions about which he was talking. It is not a debate on a bill which, if we followed this suggestion, would eventually lead us to a motion on second reading and go to a committee where questioning could take place. Nor is it a statement upon motions in this House where questioning could occur. If it is the desire of the hon. member for Yorkton-Melville to have questioning and examine as such, I say that the foundation for the approach by way of resolution that he proposes would cut out from under his suggestion.

This brings me to the second matter I would like to speak to, namely, motion No. 24 standing in the name of the hon. member for Hamilton West (Mr. Alexander). That motion recognizes the responsibility of the government to fix the rates and thereby take the plaudits as well as the aspect of political accountability. It states that the Minister of Manpower and Immigration must make a statement in the House of Commons within five days of such approval. In fact it gives exactly what the hon. member for Yorkton-Melville wants, namely, the opportunity to question. It even goes a little further in that respect than does the motion put forward by the hon. member for Yorkton-Melville.

The other thing it does is this: it advances an argument which is inherent in the parliamentary system, namely, that the government of the day is responsible to the House of Commons. I suppose it would be best if we all agreed that the bill be amended each time, but that course could prove difficult, not only for the government but for the people who would benefit, because of the time involved. The hon. member for Hamilton West has hit on a middle ground. It has the advantage of flexibility but none of the difficulties the hon. member for Yorkton-Melville wishes to avoid, that is, the complete inability of members of the House of Commons to ask questions on the matter.

I hope the minister will take a close look at the proposal advanced by my hon. friend, one which gives the government the responsibility of fixing the premium rates to be paid by persons in insurable employment and by employers in any particular year, bearing in mind that this approach also allows members of parliament to question the government with respect to the subject and, in that way, provides some form of accountability to parliament.

Hon. Bud Cullen (Minister of Manpower and Immigration): I think the hon. member for Grenville-Carleton (Mr. Baker) has spelled out the problem we would have with motion No. 23 in the light of its inflexibility. I would think it would be inappropriate to ask the House to deal with such a highly technical issue, one which is spelled out in considerable detail in sections 62 and 63 of the act. Moreover, because of the very tight timing in making the necessary cost estimates in September and October for the following year, there could be serious problems in meeting deadlines for notification of Revenue Canada with respect to the issuance of the necessary deduction tables for employers. The commission was established to deal with these questions, and given the necessary powers. In any event, since estimates for the commission will be reviewed by parliament and the parliamentary committee, there will be ample opportunity for parliamentary scrutiny.

The motion by the official opposition would simply require the minister to notify the House of the fixing of premium rates within five days of approval by the governor in council. I might note that this provision would be unworkable if the House were not in session. A preferable approach would be to inform parliament of the approval of the premium rates as soon as possible after a decision had been taken. I think this would better meet the requirement which the hon. member for Hamilton West (Mr. Alexander) has in mind.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for a while, when the hon. member for Grenville-Carleton (Mr. Baker) was speaking, I thought he was confused about the matter before us because he seemed to be talking about fixing rates of benefits. But then something got through to him and he realized that it is the premium rate which is under discussion in this section. As the minister just indicated, the premium rate for the ensuing calendar year is fixed two or three months before that. So it seems to me that it is not the kind of thing which has to be determined overnight; there is some time in which to give consideration to the matter.

● (2220)

I thought the hon. member for Grenville-Carleton had also failed to read the motion put forward by the hon. member for Yorkton-Melville (Mr. Nystrom). The motion does not suggest that the power to fix the premium rate be taken away from the commission and given to the House of Commons. The wording is such that it would still be the commission that would fix the rate. The only difference is that instead of the rate as determined by the commission being subject to the approval of the governor in council, it would be subject to the approval of the House of Commons.

On the point as to which of these two methods, that proposed by the hon. member for Yorkton-Melville or that proposed by the hon. member for Hamilton West, is the better, it strikes me that the hon. member for Grenville-Carleton would be the leader of the pack in complaining about the method proposed by the hon. member for Hamilton West. Under that proposal all we would have would be a requirement that the minister stand up within five days after the making of the decision by the commission and make a statement on motions, to which there could be responses, following which there could be questions to the minister, and that would be it. I can just see my good friend from Grenville-Carleton saying that this is parliament at its worst, that we can say things and ask questions, but that we have no power or authority over the minister or the commission.

If we are to bring the matter before the House of Commons, then it should be within the authority of the House of Commons to say yes or no. The motion of my hon. friend does not give the House of Commons at that point the right to change the rate and to make it something else; but it would have the right to say yes or no. Therefore it strikes me that if we are to bring the matter before the House of Commons at all—and I think it is a good idea—the proposal in motion No. 23 is preferable to the proposal in motion No. 24.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have just a few brief comments on this amendment. I spoke at some length about what I feel is happening here. Even the answers which the minister read off tonight were composed by the bureaucracy. He just went through the motions and read them.

I mentioned in my previous comments the question of accountability. There is a great deal of talk about the importance of parliament and about parliament being supreme. Parliament is elected by the people of the country and parliament ought to decide those things which are of absolute importance to the people. Sad to say, that is nothing but a charade around here.

When I came here in 1972 I recall that my colleagues to my right, and I, suspected there was a shortfall in the unemployment insurance fund of $800 million. We waited two or three years before getting the Unemployment Insurance Commission officials before a standing committee of the House. We kept asking questions in the question period of the then minister of manpower and immigration, the present President of Treasury Board (Mr. Andras), and I remember the great difficulty we had to pin him down about the way the Unemployment Insurance Commission was administered. There are professional hockey players in the UIC, when you consider the manner in which they stickhandled around parliament and avoided any kind of examination.

An hon. Member: Guy Lafleur.

Mr. Rodriguez: Yes, the Guy Lafleurs of Ottawa. They avoided any kind of scrutiny. I do not know what they were hiding. It was only in 1974 that we finally got the UIC before a standing committee of this House. By that time the thing had become cold potatoes and was no longer of any interest in terms of getting to the bottom of what happened to that $800 million shortfall.

The purpose of our amendment is to have the House of Commons fix the rate of premiums to be paid by employers and employees who participate in the unemployment insurance fund. That is a very important principle in terms of accountability. Members of this House would then have an opportunity to question the minister and to question the commission with respect to its operations. It is very important that hon. members have an opportunity to take a look at this monolithic outfit. Every time we opt out of our responsibility with respect to these bureaucracies, such as the UIC, we are doing a disservice to the people of this country because, once the unemployment rate goes above 5.5 per cent nationally, the taxpayers of the country pick up the extended portion of the Unemployment Insurance Commission fund. The expectation is that the UIC fund will cost us $3.8 billion in 1977. "Them is not potatoes". Next year the projection is a $4 billion unemployment insurance fund. One must imagine that type of expenditure without some kind of deliberate—

Mr. Deputy Speaker: I regret to inform the hon. member that his allotted time has expired. The hon. member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: Mr. Speaker, I wonder if I could have the permission of the House to ask the hon. member a very short question. I realize we will be adjourning in a few moments.

Mr. Deputy Speaker: We have reached the hour of adjournment. The question can only be asked with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Prud'homme: Since it is 10.30 p.m. and we are going to adjourn, may I ask the hon. member to join with me in wishing French Canadians a happy feast day?

[*Translation*]

Mr. Rodriguez: Mr. Speaker, best wishes to all my French Canadian friends.

[*English*]

Mr. Prud'homme: All across Canada.

Mr. Rodriguez: Yes, all across Canada. I should point out that 41 per cent of my constituents are French-speaking. I wish them a fine holiday tomorrow. I will be celebrating with them in Nickel Belt.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. It being 10.30 o'clock p.m., I do now leave the chair. This House will resume on Monday, June 27, 1977, at eleven o'clock a.m., pursuant to Standing Order 2(3) and the order made May 30, 1977.

At 10.30 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, June 27, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed, from Thursday, June 23, consideration of Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration; and motion No. 23 (Mr. Knowles, Winnipeg North Centre) and motion No. 24 (Mr. Alexander).

• (1110)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on Thursday we discussed motion No. 23, which calls for the House of Commons to fix unemployment insurance premiums. We think, since the House of Commons is the supreme body in the land, it should have authority to fix premium rates and to review those rates, for such a review would give the House the opportunity to review the commission's administration of the act.

We pointed out on Thursday how concerned we are about the perceptible and deliberate shift of control from the hands of elected members to the hands of bureaucrats. Increasingly, our bureaucrats are taking over the decision-making function. This bill would lump responsibility for immigration, manpower and UIC under one deputy minister who would be responsible to the minister. Surely that prospect ought to send shivers up our spines. Yet, lo and behold, in the bill as written we are to allow the commission to set its own rates and effectively to avoid the control of the House of Commons. I was first elected to this House in 1972, but only three years later were we able to bring the Unemployment Insurance Commission before the standing committee of this House to explain the shortfall of between $800 million and $900 million in the unemployment insurance fund.

It is said that the estimates give us the opportunity to question. I point out that by May 31 all estimates are reported back to the House. Even those not passed by the committee are deemed to have been passed and are reported back. Therefore, no matter what members of parliament think about the estimates, come May 31 the estimates leave the committee and are reported to the House. That is why this amendment is important, for it would vest the control of unemployment insurance premiums in the House of Commons.

I said on Thursday evening that members on my side of the House are increasingly concerned about the power of this country's bureaucracy. It seems that the minister is no longer responsible for the policy direction of his department. The previous minister told us about a year and a half ago that the whole question of the minor attachment period was a red herring thrown across our path, that there was no evidence of abuse, nor evidence to show it was a disincentive to work. Now, 1½ years later, the newly appointed minister says, "The minor attachment is a disincentive to work. We have the evidence." What has brought about this change in position in 1½ years? Clearly, the reason must be advice of bureaucrats. It seems that a war is going on within the bosom of the minister's department, one group of bureaucrats pushing one course and one set of policies, another pushing another set of policies.

Clearly, one group was in the ascendancy 1½ years ago and had the minister's ear; now the other group is in the ascendancy. Unless we can reverse the trend, the minister will lose control of his department. As it is, our ministers do what the bureaucrats tell them. When we were in committee we noticed how the $62,000 a year men and the $50,000 a year people were annoyed when we asked them how they administered the department. They resented specific questions on details of the unemployment insurance program.

It seems, therefore, that the minister is losing control of his department and it is time to vest control of the program in parliament where it belongs. Mr. Speaker, far too many of these issues are taken from the hands of elected representatives; and then we are told parliament is downgraded. The Minister of Energy, Mines and Resources (Mr. Gillespie) earlier today at a press conference outside the House announced a new program for home insulation. Notice, he did not announce it in the House of Commons where elected members could have dealt with the matter. That minister and others accuse opposition members of not dealing with matters important to the nation. How can they say that, when the government opposite does not allow parliament to debate and deal with these serious questions?

Our amendment would return to the House of Commons control over the setting of premiums. Many have said that unemployment insurance is not insurance, per se. We agree.

You can look at the program as term insurance for a group, each member of which is insured against the unfortunate loss of his job. We also say that because of the nature of our country such an insurance program must be universal. Those who participate in it should pay premiums, the amount of which is set by the House of Commons. When the minister says that the program will cost us $3.8 billion this year and $4 billion next year, the people working and contributing to the fund are entitled to know, when they see large pay-outs being made from the fund, that people are not cheating.

A person should not say, "I see so-and-so is collecting unemployment insurance. He should not be collecting it." On the other hand, the unemployed should not be made scapegoats for the shortcomings of the program. Therefore, premium rates must be protected. Parliament is responsible for ensuring that premiums are set at levels which will not whip, so to speak, the unemployed. A person may have always worked and paid $2, $3 or $4 a week in premiums. There are those who have a low attachment experience with the work force. This is usually the young and the female sector of the work force, those whom the minister called women and kids. Those who work regularly become the whipping-boy for those who take advantage of the program only to be able to collect unemployment insurance.

● (1120)

The minister is responding by tightening up on unemployment insurance. This party does not approve of people stealing from the unemployment insurance fund. We have an act which provides for benefit control. We ask the government to carry out this benefit control in a fair and judicious manner, not in the manner which has been followed in the past. The computer can select groups. They can run benefit control on these groups in a wise and judicious fashion, not in the present manner. The minister and his bureaucrats have stated that there is an unwritten law for setting quotas with regard to how many a benefit control officer will eliminate from the unemployment insurance rolls. It becomes a kind of game.

The government reacts to the right-wing movement of the country which says the program must be tightened up. It states that $135 million will be saved by tightening up the program in this fashion. We have said that with one million unemployed in Canada, this is not the time to start fooling around with the minimum attachment period and the length of benefit. The Economic Council of Canada have stated that with our present high unemployment this is not the time to start fiddling around with the minor attachment period and the length of the benefit period. We have urged this upon the government. However, the minister has proceeded with this bill.

This place is no longer a debating forum. No longer is the minister touched by any debate or argument. The bureaucrats have sold him this bill of goods, and his mind is set like concrete: it has completely hardened. Rather than this place being a forum for debate, it is strictly a matter of time. That is what we have come down to, a matter of time. We on this side certainly do not approve of this type of move where the minister looks at the amendments and accommodates by accepting those which obviously have some benefit.

With regard to this amendment, parliament ought to set the premium for benefits to be paid. The argument that we have to move quickly on premiums does not hold water. The premiums are not set today for tomorrow. They will not be set tomorrow for the day after. Surely, the Unemployment Insurance Commmission have made projections with regard to the number of unemployed one can expect in the future. There are bodies within Canada, such as Statistics Canada, which have made projections with regard to the number of people who will be unemployed next year. These have been broken down into age groups. The OECD countries have broken down the projected unemployed into age groups and sex groups. Using those projections, surely they can project the cost of the unemployment insurance fund. Having projected that cost, they can then assign the premium rates for participating in the unemployment insurance program. That is the crux of the matter. The minister would have us believe he might accept this amendment—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I find it difficult to understand why the government is unwilling to accept this amendment. It sets forth a very basic principle of responsible government. The legislation which the government is proposing allows the Unemployment Insurance Commission, with the approval of cabinet, to set the rates which workers in this country will have to pay under the unemployment insurance plan. My colleagues, the hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Winnipeg North Centre (Mr. Knowles), urge that this matter ought first to be submitted to the House of Commons.

We already require the consent of the House to impose very minor tax changes upon the people of Canada. Here is a power which we are giving to the Unemployment Insurance Commission and to the cabinet to levy what could amount to millions of dollars upon several million Canadian workers. The old principle is that taxation without representation is tyranny. The right of cabinet, on the recommendation of the Unemployment Insurance Commission, to raise the rates which workers in this country will pay under the unemployment insurance plan is something which ought to be referred to parliament.

This parliament, and this parliament alone, should have the power to levy what is virtually a tax on the workers of this country. The House of Commons should have the opportunity to review the operations of the act to see whether those increases are necessary and are in keeping with the benefits which are provided. However, under the government's pro-

posed legislation no such opportunity will be provided. This is a negation of everything we have come to believe is part of the democratic process and the principle of responsible government. I cannot understand why the government is balking at accepting this amendment. We ought to have some explanation from them as to why they think, in levying a tax upon several million workers in this country, the House of Commons should be bypassed and the power placed entirely in the hands of the governor in council.

I recall the days when the right hon. member for Prince Albert (Mr. Diefenbaker) headed a government in this country. The Liberals were on this side of the House. They were constantly crying out that the Diefenbaker government was exercising arbitrary and dictatorial powers. I would like to know what they consider these powers to be, namely, the powers to levy taxation without reference to the elected members of parliament. We are entitled to something better than stony silence from the government, particularly the minister, as to why they are not prepared to refer back to parliament any changes in the rates which are charged the workers of this country under the unemployment insurance plan, so that the members of this House may know in detail what the rates are, why they are being increased, and whether they are being increased equitably across the work force of this country.

• (1130)

Surely, these are basic rights. I know the government has become very arrogant of late. Its attitude is very different from that taken when it found itself in a minority position and when the poll returns were somewhat discouraging. But its present arbitrary attitude is not justified. The government owes the House some explanation, and if it cannot supply one then the people should be appalled that hon. members opposite are taking this dictatorial attitude, assuming the right to impose levies on the workers, to take money out of their pay cheques in the absence of approval by the representatives of the members of this House.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise to express the concern of my party about what is happening under this amendment as it applies to the setting of premiums for payment by both employers and employees. I listened to hon. members on my left, and I can only say I am in some doubt as to whether parliament has the competence to do what they want done. I was here last Thursday until 10.15 p.m. However, I believe the House went on until 10.30 p.m., so I missed a small part of the debate. Nevertheless, I read the argument put forward by my hon. friend from Grenville-Carleton (Mr. Baker) who expressed concern about the difficulty which might arise if the House of Commons were to attempt to set the premium. In fact, I do not know exactly what is meant by that phrase, "the House of Commons fixing a premium". Do hon. members to my left suggest the House should become involved in the mechanics of sections 62 and 63, extremely complicated sections having to do with the fixing of these rates? With all due respect, I do not know whether we have the competence to do so.

Nevertheless, I can well understand the point the hon. member has just made. It is, in effect, taxation without representation. As I have indicated, it might be doing a disservice to the Commons to involve it in an attempt to determine a formula, and so on. But perhaps what they are having in mind, really, is to let the government bring in a figure, subject to approval by this House. Is that what they are suggesting?

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Does he realize that what he has just said is the case, rather than what he said earlier? Will he look at both our amendment and his own, and realize that in both cases it is the commission which sets the rates? The difference between us is this: we ask that what the commission has done should be subject to the approval of the House of Commons. The hon. member's amendment asks that what the commission does should be the subject of a statement in the House. In neither amendment is it proposed that the House of Commons should do the technical work of fixing the rates.

Mr. Alexander: Let me read through the NDP motion. I was under the impression that it read, "the House of Commons, fix the rates".

Mr. Knowles (Winnipeg North Centre): That is just one line.

Mr. Alexander: Don't get all shook up and say, "It is just one line". I think what the hon. member is talking about is approval given by the House after the governor in council has fixed the rates.

An hon. Member: The same as ours.

Mr. Alexander: All right. Don't get carried away. I am trying to understand the NDP motion and determine whether or not it is practicable. It seems the motion put forward by members to my left is similar to ours, except they want the approval given by the House of Commons before the rates come into effect.

An hon. Member: Right.

Mr. Alexander: Let us review the history. First, it was the commission who set the rates, and no one had anything to say about them whatsoever. The minister then proposed that there should be some accountability. So the commission will set the rates and the governor in council will approve them. There is that further step included. In effect, it means that ministers on the front benches of the government side will have to approve the rates. After approval, the minister would come into the House and make a statement, whereupon the spokesmen for the opposition parties would have an opportunity to make statements in response, and to ask questions.

Mr. Speaker, we have found in the last two or three years that ministers are disinclined to make statements in the House. They would much prefer to go before television cameras or talk to newsmen outside. What I was seeking in my amendment was at least to ensure that changes in premium rates, or

the stabilization of those rates, should be the subject of a ministerial statement in this chamber. We would then, at least, have an opportunity to talk about the subject and to criticize the minister if necessary. In short, we would become a part of the procedure. As things stand now, if the minister does not accept either of these amendments, it would be the same old chestnut: it would be a case, as the hon. member has said, of taxation without representation. We shall have nothing to say on the matter whatsoever.

I feel a little embarrassed because of what the hon. member for Grenville-Carleton has said on the subject. He placed before the House an excellent argument for not moving in this regard in terms of accepting the NDP motion. But I think, on reflection, I shall have to wait until I can consult with him about what we in the official opposition are going to do, because I would like to be on the side which is pressing for something more from the minister, whether it is approval of the rates or an opportunity of hearing the minister tell us what the rates are so that we can at least respond and ask questions.

● (1140)

As it stands, the hon. member for Grenville-Carleton has indicated he would be opposed to it. I want an opportunity to discuss this matter with him, because I would not want to embarrass him. As hon. members will understand, I will discuss this matter with him, and whether we vote with the New Democratic Party will depend on our discussion on the other motions. I still intend to move my motion. If we do not get the NDP motion, then I want an opportunity to state that at least we tried in both instances: the first one by way of approval and the second one by way of a ministerial statement.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed to the motion will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

[Mr. Alexander.]

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

The motion now before the House is No. 24 standing in the name of the hon. member for Hamilton West (Mr. Alexander).

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

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

It is my understanding that motions Nos. 25, 26 and 31 are to be debated separately and voted on.

Mr. Lorne Nystrom (Yorkton-Melville) moved:

Motion No. 25.

June 17, 1977—That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 54 by striking out lines 40 and 41 at page 28 and substituting the following therefor:

"shall cease to hold office on attaining the age of sixty".

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Nystrom: Mr. Speaker, motion No. 25 before the House today is not very important to most members of the House. The effect of the motion is to change the age of people who are chairmen of boards of referees appointed by the governor in council for a three-year period. The change proposed is to 65 years of age instead of the present 75 years of age.

I am not against older people providing a very valuable function in the public life of Canada. I move the motion only because of consistency with previous government legislation—the Unemployment Insurance Act itself. The age of retirement from the Public Service of Canada is 65, and it would be

consistent if we had the chairmen of the boards of referees retiring at age 65. That would be consistent, also, with legislation affecting the Public Service of Canada. The chairmen are not public servants, per se; but they are still part of the general public service and have the same public input into our country.

The age of entitlement for UIC runs out at age 65; once you are over the age of 65, you can no longer draw unemployment insurance benefits. Therefore, with respect to consistency, once again, the chairmen of the boards who are going to be judging those people applying for UIC should probably be the same age as those who are applying, namely, age 65. If the mandatory retirement age for chairmen of the boards of referees in our legislation is 75, which is recommended in Bill C-27, the only thing that is consistent with is the age of senators. Senators must retire at the age of 75. Anything that is consistent with the Senate is not consistent with party policies for which I stand. Because of matters of consistency and matters of logic, the age of retirement for chairmen of the board should be 65 rather than 75.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a few points which I should like to make with respect to this amendment which we have put forward. This gives us an opportunity to make some points. It is my experience, and the facts have borne this out, that the chairmanship of boards of referees has become a political appointment by this government. It has become part of the whole operation of appointing chairmen of boards of referees on the basis of names probably submitted by Liberal riding associations across the country. It has become part of the whole patronage system, in the same way as senators are appointed on the basis of their contribution to political parties. There is a system set up whereby the Canadian Chamber of Commerce recommends names to represent employers on the board, and the Canadian Labour Congress recommends names to sit as employees' representatives.

Does the government put out an advertisement showing that they have 18 vacancies in chairmanships of the boards this year, and that anyone can apply? Do they send around letters to members of parliament, of any political stripe, saying that there are "X" number of positions available? Do they ask for possible names to be submitted with attached curriculae vitae? No, that is not done. It is said that any member of parliament can send in a name. It is difficult to do that when one is unaware of vacancies. As long as this is done, it becomes a parliamentary pork-barrel. We know about the former minister of state for urban affairs sending letters to Liberal lawyers asking who could be representatives of CMHC to negotiate with prospective purchasers of homes. That is one of the things which makes the people of this country very cynical about the manner in which the government operates.

We have taken the opportunity to move this amendment in order to get the whole question raised and considered in this House of Commons. With regard to Bill C-69, the minister brought in age 70 as being the limit for persons to make contributions to the unemployment insurance fund, or to collect. A year ago the government brought in an amendment which provided that at age 65 no one really is a supporter of a family, no one really has dependent children, no one really has to work at that age, and therefore there is no point in having them contribute to the unemployment insurance fund. Our party opposed that amendment. We said we knew there was at least one Canadian in his early sixties who had three dependent children. In our constituencies there are many men and women who are still supporting children, and those children are either in the late years of elementary school or are in high school. Many of the parents of those children have to work, and some of them have no skills. We argued against any change in the Unemployment Insurance Act which would cut off Canadians at age 65 from either contributing or collecting.

● (1150)

This government is not consistent. Perhaps it follows the principle that consistency is the hobgoblin of small minds and has, therefore, not maintained consistency with respect to the whole question of the pork-barrel clause. Pork-barrelling is the hallmark of this government. We have challenged the government to be consistent with its own act. What we want for the workers of Canada who come under the Unemployment Insurance Act, the government should also want for those it appoints to those nice, cushy jobs which pay perhaps $150 per day. That is a nice little sinecure for a Liberal hack, but it certainly does not give people who appear before boards any assurance that the chairmen of those boards of referees are really there to try to find a solution to their problems.

I have had much to do with boards of referees. I know other hon. members have, as well. I am amazed when I think of some of the individuals who have been appointed chairmen of these boards. I have made written complaints to the commissioner. My correspondence has been legion with respect to the manner in which chairmen have dominated boards and have not carried out the decision-making duties that they should. We are not saying that people who are beyond 65 are not capable of working, because we have always held differently. But we are saying that the government ought to be consistent. These chairmen ought to be consistent in their administration of the act. After all, the chairmen will also be making decisions with regard to people who are not eligible contributors or collectors.

That is basically why we proposed this amendment. We proposed it to draw to the attention of the government its inconsistency with respect to this point and to deride, once again, the pork-barrelling which goes on within this government, specifically with regard to chairmen of boards of referees. If the government wants to be fair and square and above board, it ought to place advertisements in local newspapers and send letters to members of parliament asking for nominees. That seems to me to be the only fair way to appoint chairmen of boards of referees.

Mr. Cullen: Mr. Speaker, I have just one comment to make. The hon. member indicated that this amendment is inconsistent. In fact—I indicated this in the committee—it would be consistent with the mandatory retirement age of persons hold-

ing judicial and quasi-judicial appointments. Given the fact that these people are holding quasi-judicial positions, it seems appropriate that the retirement age should remain at 75.

The Acting Speaker (Mr. Turner): Order, please. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion No. 25 (Mr. Nystrom) negatived.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved:

Motion No. 26.

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended by deleting clause 55 at page 29 and substituting the following therefor:

"55. Section 92 of the said act is amended by adding thereto, immediately after subsection (1) thereof, the following subsections:

"(1.1) Subject to subsection (1.3), any judge of a superior, county or district court in Canada and any person who has held office as a judge of a superior, county or district court in Canada may, at the request of the chief umpire made with the approval of the governor in council, act as an umpire, and while so acting has all the powers of an umpire.

(1.2) No request may be made under subsection (1.1) to a judge of a provincial court without the consent of the chief justice or chief judge of the court of which he is a member, or of the attorney general of the province.

(1.3) The governor in council may approve the making of requests pursuant to subsection (1.1) in general terms or for particular periods or purposes, and may limit the number of persons who may act under this section.

(1.4) A person who acts as an umpire pursuant to subsection (1.1) shall be paid a salary for the period he acts at the rate fixed by the *Judges Act*, for a judge of the Federal Court of Canada, other than the Chief Justice or the Associate Chief Justice of that court, less any amount otherwise payable to him under that act in respect of that period, and shall also be paid the travelling allowances that a judge is entitled to be paid under the *Judges Act*." "

He said: Mr. Speaker, the motion I am proposing to amend clause 55 of Bill C-27 is for the purpose of permitting judges of superior, county or district courts to act as umpires. Clause 55 as presently worded in the bill would authorize the use of deputy judges of the Federal Court of Canada as umpires for the purposes of the Unemployment Insurance Act. The chief justice of the Federal Court has recommended that this provision be reworded to provide that the chief umpire may have any judge of a superior, county or district court act as umpire without requiring him to be appointed as a deputy judge of the Federal Court. The provisions of this motion—also at the request of the chief justice—set out the conditions under which such judges could act as umpires, and the salary rates to be applicable to them. The wording proposed is analogous to that contained in section 10 of the Federal Court Act.

Motion No. 26 (Mr. Cullen) agreed to.

Mr. Alexander: Mr. Speaker, I rise on a point of order. At this time I would like the unanimous consent of the House to move a motion.

Mr. Cullen: What about motion No. 31?

Mr. Alexander: The minister wants to proceed to motion No. 31, and I will bow to his request. I do, however, want to bring in a proposed motion, No. 27. A similar motion was proposed by the minister but it was found to be beyond the scope of the bill and therefore was disallowed. However, it is my understanding that unanimous consent is required—I believe it would be forthcoming from both sides of the House—to move a motion similar to that which was moved by the minister. I will pursue that matter after we deal with motion No. 31.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved:

Motion No. 31.

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in clause 69 by striking out lines 30 and 31 at page 34 and substituting the following therefor:

"31st day of March, 1978, based on estimates 1977-78, or for any previous fiscal year".

He said: Mr. Speaker, by way of explanation, the motion I am proposing would amend clause 69 of Bill C-27 for the purpose of updating the references to fiscal years contained in this clause. Clause 69 provides that the funds voted in fiscal year 1976-77 and previous fiscal years for existing organizations reporting to the minister may be applied to the new integrated department. In view of the lapse of time which has occurred since the drafting of the bill, this clause must be updated to refer to fiscal year 1977-78 rather than 1976-77.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, obviously this clause reflects the 1976-77 estimates and the minister has to bring in the amendment to update them. Hon. members know full well that Bill C-27 was based on studies reported in a document called "A Comprehensive Review of the Unemployment Insurance Program in Canada". This document was

obviously available to the department and to the minister back in 1976 because it was on its basis that Bill C-27 was drawn up. The minister admitted that he had to change the figure because the bill had been drawn up some time ago.

• (1200)

I think it reprehensible that this review was not made available to members until February of this year. The minister stated that the review was supposed to be the Valhalla for all the changes in Bill C-27, but now he has sprung Bill C-27 on us and admits it was drawn up some time ago. One must remember that these changes were alluded to in the 1976 budget, yet we did not receive the bill until 1977. Now we are told the bill must be passed in haste so that parliament can have its recess, and extra sittings have been arranged so we can get it through in time. Here is a bill that has been sitting in the government's store place, wherever it might be. Perhaps they keep it in the same place as the chipmunks store their nuts. Now the minister comes forward and amends it because it is a year old. I do not think that is treating parliament with dignity and respect. This review was done in 1973 and 1974, and it was based on the situation at that time seen from the viewpoint of Canada Manpower Centres and the Unemployment Insurance Commission.

I think it is treating the House with disrespect for the minister to bring in a bill that is a year old and has had to be amended so as to bring the estimates in line with the situation this year.

The Acting Speaker (Mr. Turner): Order, please. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I understand that the House will adjourn at 12:15 in order to take part in Canada Week celebrations. However, I think we can dispose very quickly of the matter which I wish to bring to the attention of the House. Motion No. 27 on the order paper was introduced earlier by the minister, but because of a procedural difficulty in that it went somewhat beyond the scope of the bill, Mr. Speaker did not allow it. However, as I understand it, the House can accept a motion if there is all-party agreement. This is what I am now seeking in moving the following motion:

That Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended by adding immediately after line 2 at page 31, the following new clause:

"60.1 Section 114 of the said act is repealed and the following substituted therefor:

"114. Information, written or oral, obtained by the commission of the Department of Employment and Immigration from any person under this act or any regulation thereunder shall be made available only to the employees of the commission or the said Department in the course of their employment and such other persons as the minister deems advisable, and neither the commission, the said department, nor any of their employees is compellable to answer any question concerning such information, or to produce any records or other documents containing such information as evidence in any proceedings not directly concerned with the enforcement or interpretation of this Act or the regulations."

The essential words in the section which I am seeking to amend are "such other persons as the commission deems advisable". In other words, confidential information would not only be restricted to the employees of the commission, but they could give it to any Tom, Dick or Harry who came knocking on their door. The minister understands it is wrong, I understand it is wrong, and I am sure hon. members to my left understand that such a procedure is not only wrong but is totally unacceptable. So the minister, in his wisdom—which sometimes comes forth very rapidly—moved an amendment, which I am moving now, whereby information obtained by the commission shall be made available to employees of the minister or persons whom the minister deems advisable. We now have some ministerial responsibility and I am sure hon. members will find no fault with that.

The Acting Speaker (Mr. Turner): The hon. member for Hamilton West (Mr. Alexander) seeks the consent of the House to move the motion which he has just read. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Alexander) agreed to.

The Acting Speaker (Mr. Turner): As this is the last motion before the House, perhaps we might vote on motions on today's order paper.

Mr. Goodale: Mr. Speaker, there have been the usual discussions with respect to deferred votes on motions under Bill C-27, and I think there is a disposition to defer voting on all the items until at least this evening. I understand the precise time will be specified later in the day.

Mr. Paproski: It is so agreed, Mr. Speaker.

• (1210)

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we agree; but this is the first time I have heard it suggested that these votes would not come until 9.45 p.m., as indicated by the hon. member for Hamilton Mountain (Mr. MacFarlane). There are 10 or 12 votes, and I think they should take place at an earlier hour than 9.45.

Mr. Goodale: Mr. Speaker, at this stage the time has not been specified. It would be fixed in the normal course of negotiations.

The Acting Speaker (Mr. Turner): Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed, and so ordered.

Mr. Knowles (Winnipeg North Centre): One o'clock.

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock p.m., I do now leave the chair until two o'clock p.m. later this day.

At 12.13 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

THE LATE ANDRÉ FORTIN

TRIBUTES TO DECEASED MEMBER

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am sure that all members, like myself, were shocked and saddened last Friday on learning of the death of our late friend and colleague, the leader of the Social Credit Party. The tragic nature of his accident en route to his home after visiting western Canada only emphasizes the dedication he brought to his political role not only in this House but in the country.

I, personally, had the privilege of working closely with Mr. Fortin during the years when he served his party as House leader. As most members appreciate, it often takes time to adjust comfortably to the procedural functioning of this chamber. As one of the new and most youthful members of the House of Commons in 1968, Mr. Fortin was assigned a challenging role which he mastered quickly with skill and enthusiasm. That same spirit was evident in recent months as he undertook the leadership of his party. He was determined that his view of politics and his country would not be confined only to his own province, and his visit to the west coast last week was evidence of his desire to communicate his ideas to other parts of Canada.

The tragedy of his death is a cruel one for his wife and young children who until last week stood to benefit for many years from his guidance and affection. It is also a very real tragedy for this House and politics generally to lose at the age of 33 a young Canadian who had volunteered to accept the challenges and sacrifices of political life in order to serve the citizens of Lotbinière and the larger constituency in the rest of the country.

On behalf of the government, I wish to extend our deep sympathy to his constituents, his colleagues in this House and, most particularly, to the members of his family.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I and my colleagues associate ourselves with the words expressed by the Acting Prime Minister.

[The Acting Speaker (Mr. Turner).]

[*Translation*]

It was a tragic accident which ended the unduly short career of the leader of the Social Credit Party. The hon. member for Lotbinière died in the prime of life and with a promising future ahead of him. Those who had the opportunity to work with him more closely know what eagerness to work and what determination were those of the youngest party leader of our political system. Like his predecessor, the late Réal Caouette, the young leader of the Social Credit Party put all his energies into identifying the needs of Canadians to respond to them. He worked hard in all parts of the country to consolidate the foundation of his party, which was essentially a populist party, and he died at that task.

[*English*]

It is for me a very real personal loss as well. I, as did many of my colleagues, had the opportunity to work closely with the late André Fortin. We came to respect him as an individual and as a very dedicated member of this chamber, a man and a party leader who respected and sought to serve the traditions and develop the potential of our country.

[*Translation*]

Canada is mourning today the loss of a good politician, but as the saying goes, the good die young, and I am deeply touched by this loss not only of a colleague, but also of a sincere friend.

[*English*]

In my name and in the name of the members of my party, I want to offer to his family, his colleagues in the House of Commons and his constituents our most sincere condolences and deep regret on the death Friday morning of an outstanding member of parliament and a young man full of promise for the country.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I join in paying a sad tribute to an able and hard-working Canadian. Like André Fortin, I was elected to parliament in 1968. Although I did not know André well, our associations throughout this brief period were always frank and cordial. At all times I found him to be a man of his word. In politics, that is very important.

As has already been noted, less than a year ago he became the leader of a political party. During that period he learned the remarkable and pressing intellectual as well as the physical challenges that are involved. I do not think it is too much to say that part of the physical endurance of that task in this vast country probably contributed in some way to his sad death in the early hours of the morning last week.

André Fortin believed both in Quebec and in Canada. Before he died, he was working on that difficult formula which concerns all Quebecers, particularly those of a federalist persuasion, how to develop and maintain this important and historic dual life for his people and province and also his country. I am sure he had much to offer all of us in this country on that important question as well as others. There-

fore, from a political perspective, we have all lost an important person.

[*Translation*]

He leaves behind him his wife and two young children, to whom we offer all our sympathy. This is a sad event for his family as well as for Canadian politics.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, on behalf of all my colleagues and in my own name, I want sincerely to thank the Acting Prime Minister (Mr. MacEachen), the Leader of the Official Opposition (Mr. Clark), and the leader of the New Democratic Party (Mr. Broadbent), for their moving and comforting expressions of sympathy.

The warm tributes we just heard are a great comfort to us and will help bear the grievous loss we are experiencing as the result of the tragic event which caused the premature death of our young leader, Mr. André Fortin, whom we had learned to know as a dynamic organizer, aware of his duties and responsibilities.

It was at the end of a four-day tour of British Columbia from where he returned with much enthusiasm about his meetings with the supporters and organizers of our party that André undertook his fatal trip from Ottawa to his Victoriaville home when fatigue overcame him and put an end to a very promising career.

André Fortin was not only the national leader of the Social Credit Party of Canada but he was to us all a friend. He always showed an acute sense of timeliness and he was gifted with a great clarity of mind which enabled him to find the right word at the right moment. I think that under the circumstances it would be appropriate to quote an excerpt from the last speech he delivered in the House of Commons on June 15, 1977:

> If we want law and order, we will adopt mechanisms and legislation proving that we are serious and consequently we will punish those who violate the law and encourage those who abide the law. I think that is essential.

André Fortin will remain a friend in the memory of all those who worked with him or came in contact with him in political quarters, and in the memory of all Canadians, whatever their social standing. During his short political career, he gave the example of a model worker who knew the needs and yearnings of the Canadian people.

To his wife, his children, his constituents of Lotbinière and his relatives, we extend our deep sympathy.

● (1410)

Mr. Speaker: Order, please. I should like to add a few words, although the leaders of the various parties have already expressed the general feelings of the House. The leader of the New Democratic Party (Mr. Broadbent), André Fortin and I were elected to Parliament for the first time in 1968, and we have been very good friends ever since. We began our work here at the same time in a very deep and sincere spirit of mutual co-operation. On behalf of all hon. members, I wish to extend to Mrs. Fortin and her family my deepest condolences.

[*English*]

I should also like to associate myself with the remarks already expressed, both here and in the press. Undoubtedly, like so many other members who are attempting to devote their time to the responsibilities which all members take so seriously—their work here, their duty to be among the electors to explain the doctrines of their parties, their duty to be with the workers in the province, especially at this critical time in Quebec, and, finally, a commitment to spend some of that time with members of the family—André Fortin was led into a schedule which contributed to his fatigue and to his fatal accident. We all, as members, understand that. I believe every citizen of the country should realize it was his tremendous devotion and commitment to duty as a member and as the leader of a major party in this House which contributed to his death and should pay him tribute because of that.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED PRESIDENTIAL VETO OF FUNDS FOR GARRISON DIVERSION PROJECT—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I move under the provisions of Standing Order 43, a matter of urgent and pressing necessity, that being the restoration of funds by the United States Congress for the further construction of the Garrison Dam Project in North Dakota. Because of the serious implications of this action for the province of Manitoba, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

> That this House, through the Department of External Affairs, contact the president of the United States giving Canada's unconditional support for what will hopefully be a presidential veto on this most urgent matter.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PROPOSAL THAT EXTRA REVENUE BE PLACED IN FUND FOR OIL EXPLORATION—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity arising out of the announced price increases for oil and gas over the next two years, an

announcement which was made directly to the press and not to the House, thus preventing proper parliamentary questioning concerning the government's intentions. Given that these increases are the largest made in recent years; and given that they will give the petroleum companies an additional $1 billion annually in profits without any guarantee that these company revenues will be devoted to oil and gas exploration and development; and given that previous price increases have been siphoned off by the companies into dividends, into exploration abroad and into financing of marketing wars for the gasoline market; and given that the companies continue to refuse to commit themselves to continued exploration in Canada, unless the terms are exactly what they demand as evidenced by the recent drilling slowdown in the Mackenzie Delta, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the government to withhold these extra revenues from the oil companies and place them in a separate fund from which the companies could withdraw funds for exploration and development purposes only.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to the provisions of Standing Order 43, such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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DOMINION DAY

PROPOSAL THAT LEADERS OF ALL POLITICAL PARTIES PARTICIPATE IN CELEBRATIONS—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity in that this parliament, and the people of Canada, have the right to demand that on the national celebration of Dominion Day either Her Majesty the Queen as head of state, or her representative, the Right Honourable Governor General should give the message to the nation. If that is not to be, then I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Prime Minister, the Leader of Her Majesty's Loyal Opposition, the Leader of the New Democratic Party and a representative of the Social Credit Party should join in speaking in support of national unity, which is not the monopoly of the Prime Minister and the government, but of all Canadians. Otherwise, having regard to the election atmosphere that has been prevalent in the government ranks of this House in the last few days, Dominion Day, Canada's national birthday, will be used on parliament hill as a launching pad by the government for a general election this fall.

Mr. Speaker: Order, please. Such a motion requires the unanimous consent of the House, pursuant to the provisions of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Broadbent.]

HEALTH

PROHIBITION OF ASBESTOS FILTERS IN PREPARATION OF FOOD, BEVERAGES OR PHARMACEUTICALS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely the recent revelation that asbestos fibres have been found in Canadian and European wines. The fibres apparently get into the wine because it is filtered through asbestos filters. Because of the dangers of accumulated asbestos to health, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the government to prohibit the use of asbestos filters in the preparation of any food, beverage or pharmaceutical product in Canada.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PRIME MINISTER'S OFFICE

REQUEST FOR CLARIFICATION OF STATEMENT ON FORMS OF DEMOCRACY—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity arising from a press conference statement by the Prime Minister at the recent Commonwealth Conference that democracy can exist in forms other than parliamentary and that there is such a thing as one party democracy, and finally, as it is essential to my motion, I should like to quote the following sentence directly:

● (1420)

I wouldn't be prepared to think I would be successful in arguing that for Canada at the present time, but such times might come, who knows?

I therefore move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That the Prime Minister immediately advise the House whether it has been, and now is, government policy to create in this country a dictatorial one party system, and particularly that he give an explanation of the meaning of his dictatorial, arrogant and demagogic utterance.

Mr. Speaker: Order, please. Instead of the urgent and pressing necessity required by the rule, that seems to have some political overtones to it.

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POST OFFICE

REQUEST FOR ACTION TO ESTABLISH ACCEPTABLE LEVEL OF SERVICE—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise under the provisions of Standing Order 43 concerning our unaccept-

able and deteriorating postal service. Due to the growing dissatisfaction and anger of Canadians because of unreliable postal services and particularly extended delays in mail delivery, including notices of meetings, conventions, receptions and other important functions which do not reach their destination in time in spite of the fact that they are posted three to four weeks prior to the date of the event, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the Postmaster General be requested by parliament to convene meetings with city postmasters in each province to hear their complaints and recommendations with a view to taking remedial action to re-establish acceptable postal service.

Mr. Speaker: Such a motion can be presented for debate pursuant to Standing Order 43 only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SECOND BREAK-IN AT L'AGENCE DE PRESSE LIBRE—KNOWLEDGE OF MINISTER OF INVOLVEMENT OF FORCE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the acting Prime Minister, and it concerns the revelations which have just been made known with respect to the investigation being carried out by the government of the province of Quebec with respect to a second break-in at L'Agence de Presse Libre du Québec offices which is alleged to have occurred on October 12, 1973, a break-in which was performed for the purposes of installing wiretapping equipment, according to reports. Was there any Royal Canadian Mounted Police involvement in the second break-in, and if so, was the solicitor general of the day, who is now the Minister of Indian Affairs and Northern Development, aware of it before or after the raid took place?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have very little information. According to press reports a letter was received by the then solicitor general in connection with that, but that is about all the information I have at the moment. The present Solicitor General is attending a federal-provincial meeting of corrections officers, and I will see that the House is given more information.

Mr. Baker (Grenville-Carleton): Mr. Speaker, at a press conference on November 21, 1973 the APLQ claimed that it sent a telegram as well as a letter. The minister has confirmed that a letter was received, and he is going to inform the House with respect to its contents. Would he also confirm, if he can, that in fact a telegram was sent and received—particularly the latter—and include that in the answer he intends to give to the House at a later time?

Mr. Basford: Mr. Speaker, I noticed in the press reports mention of a telegram in earlier press conferences. I have no information on that, but we will determine it.

BREAK-IN AT L'AGENCE DE PRESSE LIBRE—REQUEST FOR JUDICIAL INQUIRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of this further indication of a course of events in police practice, a course of events which is clouded even more by confessions at a trial and allegations by a former RCMP officer, I wonder if, in the course of his activities as acting solicitor general, Minister of Justice, Attorney General or in whatever capacity he is answering today, the minister will advise his colleagues in the government that perhaps the time has come in Canada for the traditional line of the government, to disregard the necessities of an inquiry, to be changed so that this whole matter can be moved from the political arena to a proper arena of inquiry where all the facts surrounding this whole history, of which I am sure the government is not proud, could be brought forward and dealt with in a proper judicial fashion.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I note that the minister of justice in the province of Quebec has indicated that the inquiry which has already been established is sufficiently wide to examine this matter. Of course, he is the appropriate authority in terms of any criminal activity that might be involved. So there is already an inquiry under way.

Mr. Baker (Grenville-Carleton): There is a meeting of provincial attorneys general and the Attorney General. Is this matter on the agenda of discussion? I am referring to the question of the propriety of an inquiry.

Mr. Basford: No, because it does not involve other provinces. Undoubtedly there will be conversations between particular ministers.

Mr. Baker (Grenville-Carleton): How do we know that?

PROCEDURES FOR MONITORING DESTRUCTION OF FILES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Acting Solicitor General. In view of the vague answers given lately on a wide spectrum of RCMP and ministerial activities, I want to ask the acting minister the following question. In view of the very sensible procedures by which National Health and Welfare officials monitor destruction by the RCMP of narcotics, are similar measures or procedures undertaken to monitor the destruction of RCMP files, tapes, ledgers and other materials of this nature? Was this done with respect to the 20 linear feet of files and other materials that the minister conceded were destroyed at Montreal June 3, 1977 on the basis of a report made by the

divisional audit officer, curiously enough on a statutory holiday?

Hon. Ron Basford (Acting Solicitor General): The Solicitor General has explained that that destruction occurred in the normal course of record destruction, common within agencies. I do not have the details of those procedures, but I am sure the Solicitor General will be happy to give them.

Mr. MacKay: The Solicitor General indicated that some of these files dated back to the year 1966, but he specifically did not say how current some of them were. I ask the acting minister to take as notice that perhaps the Solicitor General should reassure the House and the country that the operational case records classification and retention system specified in the manual of the RCMP procedures for destruction of files has been followed in all respects here. Perhaps I could refer the acting minister to some of the relevant material, that is pages 10 and 11 of appendix 2-3, records management manual of the force.

Mr. Basford: I will refer that to the Solicitor General.

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CANADA WEEK

REASON FOR FAILURE TO GIVE LEADERS OF OPPOSITION PARTIES OPPORTUNITY TO PARTICIPATE IN CELEBRATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have two questions about the need of a royal commission to inquire into the obvious series of RCMP misdeeds, but in the absence of the Prime Minister and of the Solicitor General and the inadequacy of existing answers, I will switch topics.

I have a question for the Acting Prime Minister. Is the Acting Prime Minister aware of the fact that at noon today at a function allegedly to be of a non-partisan nature, the kicking off of Canada Week to emphasize national unity, at which the Leader of the Official Opposition and I were invited to participate along with the Prime Minister, after the opening comments by the Minister of National Defence on behalf of the Prime Minister and following 50 minutes of entertainment, neither a representative of the Official Opposition nor of the NDP was called upon to speak at this non-partisan gathering accompanied by jets flying overhead in the front of the House of Commons?

Some hon. Members: Shame.

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, I am not aware of that.

An hon. Member: Liberal arrogance.

Mr. Broadbent: In view of the importance of maintaining a non-partisan approach to the question of national unity at this time and considering the importance of the rest of the week's activities, will the Acting Prime Minister assure the House that he will investigate that incident and that the rest of the events this week celebrating our past and looking forward to our future will be of a non-partisan nature?

Some hon. Members: Hear, hear!

• (1430)

Mr. MacEachen: I will be eager to investigate what deprived the leader of the New Democratic Party from making a statement this morning. I will agree with him on the necessity of a non-partisan approach to the question of national unity where it is possible because there are certain interests in the field in which there can be differences. I agree with the hon. member that the maximum amount of unanimity on this subject is desirable.

Mr. Broadbent: Certainly, it is important that the Prime Minister of the day act as Prime Minister at certain of these activities. I, for one, do not begrudge that and I will make that clear. He is spokesman for all Canadians. His party happens to have a majority and in certain functions I agree he should speak for the country. I should like to ask the Acting Prime Minister if he will assure the House, however, that at those other functions this week which are officially described as non-partisan in which the other parties have been invited to participate, they damn well will participate.

Mr. MacEachen: Mr. Speaker, as I said, I will investigate the circumstances but I have been informed that the organization, the selection of speakers and so on for today was under the auspices of a private organization.

Some hon. Members: Oh, oh!

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DOMINION DAY

PARTICIPATION OF LEADERS OF POLITICAL PARTIES IN CELEBRATIONS

Mr. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, it is difficult to contain one's amazement at that answer. Perhaps the Acting Prime Minister could dispel the mystery surrounding this week's events if he would say whether the Leader of the Opposition, the leader of the New Democratic Party and a spokesman for the Social Credit Party will participate and speak on July 1 in front of the Parliament Buildings.

An hon. Member: Just a simple answer.

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, I am not in a position either to verify or disagree because I am not involved in the preparation of the program.

Some hon. Members: Oh, oh!

An hon. Member: You have to be a Liberal to be a good Canadian?

Mr. Grafftey: You make Mackenzie King look like a statesman.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River.

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ADMINISTRATION OF JUSTICE

EXTRA-PARLIAMENTARY OPPOSITION LIST AND BREAK-IN AT PRAXIS CORPORATION—POSSIBILITY OF INVESTIGATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Justice. I should like to ask if he had any consultations with the Prime Minister last week in light of the extraordinary events that unfolded in connection with the extraparliamentary opposition scandal and the break-in at Praxis Corporation in Toronto, particularly those events which led this House to believe there were threats to life from an unknown source. Has the minister been consulted and asked by the Prime Minister to launch an investigation through his department?

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker.

Mr. Oberle: A supplementary question, Mr. Speaker. It is not my intention of course to reveal the names of agents and collaborators which the Solicitor General knows about, but certainly it should have been the intention of the minister to assist in revealing the names of people who are making threats to the life and safety of people. Is it the intention of the minister and his department to involve themselves in this rather critical situation?

Mr. Basford: Mr. Speaker, the Solicitor General indicated last week that the matter had been referred to the attorney general of Ontario who is responsible for breaches of the criminal law which occur within the province of Ontario.

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SUPPLY AND SERVICES

INQUIRY AS TO THREATS TO MINISTER'S LIFE

Mr. F. Oberle (Prince George-Peace River): A final supplementary question, Mr. Speaker, directed to the Minister of Supply and Services. I should like to ask the minister if he, like myself, has been contacted by persons unknown to me and if he has been threatened if he revealed any of the facts connected with this extraparliamentary opposition scandal?

An hon. Member: You ask no questions you get no answers.

INDUSTRY

FOOTWEAR—REQUEST OF MANUFACTURERS FOR REDUCTION OF IMPORTS—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As no less than 21 Canadian shoe manufacturing companies have been forced out of business in the last 18 months because of imports from low wage countries such as Africa, Asia and Eastern Europe, does the minister intend to accede to the request of the Shoe Manufacturers Association of Canada that imports of shoes be reduced to 40 per cent of domestic consumption from the present 55 per cent to bring them more in line with what the United States and the European Economic Community have done to obtain a reasonable share of the domestic market for their domestic producers?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, a few months ago I met the representatives of this organization who have agreed with me that the best way to proceed was to ask the Anti-Dumping Tribunal to carry out a study at its earliest convenience. The tribunal was to carry out this study within a six-month period. I shall therefore send a message this week to the effect that I should like to be provided very shortly with an interim report, so as to act, should the need arise, on the findings this tribunal may have come up with.

[*English*]

Mr. Hees: A supplementary question. As the anti-dumping tribunal has evidently submitted its interim report, with which the minister does not seem to be conversant, stating that it does not recommend such a course and the Canadian Shoe Manufacturers Association is urgently requesting that the government take action to stop Canadian shoe manufacturing businesses from rapidly going out of operation, will the minister take action?

[*Translation*]

Mr. Chrétien: Mr. Speaker, as soon as this report is received, we shall make the necessary decisions. Indeed, we must comply with the current legislation in this area and we do not enjoy the same flexibility under this legislation as in the textile industry, where we demonstrated last November that we could act quickly.

* * *

[*English*]

BANK OF CANADA

ESTIMATED COST OF NEW OFFICE BUILDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Finance. As it is 17 months since we had the last estimate of the cost of the new Bank of Canada building on Wellington Street in spite of many inquiries in this House and in commit-

tee, and as the Minister of Finance stated last month that a major review of cost estimates of the Bank of Canada is underway and will be completed by mid-June and that we would be informed after that time, would the parliamentary secretary now indicate the current estimated cost of this hall of mirrors, bearing in mind that it was originally estimated to cost $36 million but at last count 17 months ago the cost had jumped to $56 million.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, we expect to have these figures before the end of June. One of the problems the Bank of Canada has in preparing estimates is that the last operation, namely the renovation of the original building has not been costed. Tenders for the cost will be made available hopefully before the end of June.

ALLEGED REFUSAL OF GOVERNOR TO HALT CONSTRUCTION OF NEW OFFICE BUILDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I put my supplementary question to the President of the Treasury Board in the absence of the Prime Minister. In view of the fact that construction continues on the building of this temple of finance on Wellington Street which will be the most luxurious central bank building in the world, can the minister indicate if he is aware that at the time the government was moving to slow down the rate of impact of government spending on the economy, the Minister of Finance intervened with the governor of the Bank of Canada asking that he hold up construction of the building and was refused? If the President of the Treasury Board is aware of this would he now intervene directly in the hope that this building spree that is so unnecessary can be halted as quickly as possible?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I was not aware of that detail in the history of this transaction.

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NATIONAL DEFENCE

ALLEGED EXPANSION OF AIRBORNE REGIMENT—REQUEST FOR CLARIFICATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. On January 13 this year speaking to the Conference of Defence Associations General Dextraze said: "Rather than destroying the airborne regiment, I am expanding it." In view of that remark can the minister explain how he is going to disband the airborne mechanized commando, one of the three existing commandos in the regiment and still expand the regiment?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, there are two commandos at the present time. There were plans for a third. If this is adhered to both will be going to Petawawa rather than one to Petawawa and one to Ottawa and then re-forming the third in Petawawa.

Mr. McKinnon: A supplementary question, Mr. Speaker. If the minister is a little confused about the third commando I can tell him it has been in Germany and is no longer going to be there which leaves a net loss of one commando. The often repeated excuse for the otherwise inexplicable move east of the airborne regiment was the fallacious statement that, as a result, some 1,200 extra men were going to be deployed at the sharp end. It now appears that quite the opposite is taking place and the government is now being forced to disband one of the three existing commandos of the airborne regiment. Will the minister now reconsider the whole disastrous idea, since the last viable reason for the move seems to have disappeared?

● (1440)

Mr. Danson: Mr. Speaker, there is some confusion in the hon. member's mind about the formation of the commando force that is to be changed. No, I do not intend to reconsider it. It has already been considered seriously. The troops' reposturing is a necessary part of the structuring of the armed forces. That one part of it is in abeyance, and will be until I have had the opportunity to look into it further.

STATUS OF QUICK REACTION FORCE

Mr. Allan B. McKinnon (Victoria): A final supplementary question, Mr. Speaker. The Chief of Defence Staff, General Dextraze, went to great lengths to explain that the quick reaction force is going to be a French speaking commando unit stationed at Uplands Airport. Now that it is not going to be there can we assume we have no quick reaction forces, because we have the aircraft at Trenton, the airborne regiment will be at Pettawawa, and the parachute packing will be done at Edmonton?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, certainly, for any conceivable situation in which a fast reaction is required there is a fast reaction force, for example, special units engaged in the search and rescue role. However, other types of fast reactions can still be achieved in adequate time for any foreseen eventuality. Of course, that is one of the things I am looking into and one of the reasons for not proceeding with the third matter at this time.

* * *

HOUSING

HOME INSULATION PROGRAM—METHOD OF PROVIDING FUNDS TO HOME OWNERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question for the Minister of State for Urban Affairs is with regard to the statement which he and the Minister of Energy, Mines and Resources issued this morning with respect to the home insulation program for conserving energy. Since I assume CMHC will administer the program, I

ask the minister what provisions are to be made for financing on the part of those who seek to benefit from the program? The statement says that some $350 per unit will be paid. Since it costs approximately $900 to insulate a home, how is the home owner to procure the other $550? Does the government intend to do as it did in Prince Edward Island and Nova Scotia, guarantee the loans, or will it make arrangements with the provincial governments for them to guarantee the loans? What has the government in mind with respect to the disparity per home of between $350 and $900?

Mr. Hnatyshyn: The utilization of government hot air.

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I do not agree with the figures mentioned by the hon. member. It is undeniable that the program we are putting forward for all Canada is not as generous as the program which has been going on in the two Maritime provinces for some months now. Besides, this program is an incentive to encourage people to insulate their homes, and we believe that the amount offered will generate enough response from the public to meet our objective.

[*English*]

HOME INSULATION PROGRAM—CONDITIONS TO BE MET BY PROVINCES PRIOR TO RECEIVING GRANTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. It should be noted that the two provinces with Liberal governments are to get more generous treatment than the other eight provinces. That will be of some interest.

Some hon. Members: Oh, oh!

Mr. Broadbent: That will certainly help national unity.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In the statement the two ministers issued they spoke of the conditions which participating provinces would have to meet—I will not read the list. I ask, will these grants be effective only when the provinces have put in place the lengthy program outlined in the statement? Since most of the required conditions will require legislation by provincial legislatures, does this mean that the program will not come into effect in the eight provinces of Canada until provincial legislation is passed, or will individuals be allowed to insulate their homes and be paid retroactively when provincial governments decide to participate?

Mr. Baker (Grenville-Carleton): The government is not sure.

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): In answer to the hon. member's question, I feel it is clear that the residents of those provinces will not benefit from this program before the provincial governments have approved the conditions put forward by my colleague the Minister of Energy, Mines and Resources and before he has discussed them with the provincial premiers or his provincial counterparts. I cannot accept the hon. member's point that legislation will be needed, for I am told that following those preliminary consultations with the provinces, the necessity to legislate has not been raised.

[*English*]

HOME INSULATION PROGRAM—APPLICABILITY OF PROGRAM TO RENTED PREMISES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. I wonder if the minister is aware that, according to his own statement, the provinces will be required to remove the sales tax on insulating materials. I am not aware that any provincial government can do that without legislation. I ask, what provision is being made to insulate the homes of renters. I point out that 40 per cent of this country's residents are renters. In Nova Scotia and Prince Edward Island, 97 per cent of the grants went to owners, only 3 per cent to renters. There is no provision in the statement for providing assistance to renters to insulate their homes. I point out that renters are usually people with smaller incomes and need to conserve energy just as much as home owners. I ask, what provision does the minister intend to make for those who live in rented accommodation, provided the owner of that accommodation is agreeable to having the home insulated?

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): In answer to the first part of the hon. member's question, I remind him simply that often, through the budget, a decision can be made which comes immediately into effect, without having to wait for the passage of a bill giving effect to such a budgetary decision. Furthermore, as to the hon. member's concern about tenants I can assure him that the eligibility requirements apply to resident owners, tenants and non resident owners and therefore, if he looks at the release, he will see that there are credits not only for private homes but also for apartment buildings which have not more than three floors.

[*English*]

HOME INSULATION PROGRAM—DELAY IN APPROVING APPLICATIONS IN NOVA SCOTIA—GOVERNMENT ACTION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, may I direct a supplementary question to the minister on the same matter? The program in effect in Nova Scotia apparently is fully endorsed by the public, but there are substantial delays in the approval of applications. I do not complain about the numbers of people submitting applications for assistance. Unfortunately, there are not enough on the staff to handle all applications coming forward. Could the minister assist the people of the area? Could he see to it that the office has a large enough staff to process applications, so that the work can be done before the fall when the people will want the insulation in place?

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I am happy to see that the hon. member recognizes the intrinsic value of the program and admits that it is working marvellously well in his provinces. I can assure him, on the other hand, that we decide from day to day, according to the influx of applications, on the means to be taken to answer as quickly as possible the applications of the people in his province.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SALE OF CANDU REACTORS—REQUEST FOR REPORT ON ALLEGED DISCOVERY OF ADDITIONAL PAYMENTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in the absence of the Solicitor General I direct my question to the Minister of Justice. It concerns the ongoing RCMP investigation of AECL's involvement in the sale of Candu reactors. The *Financial Post* of June 18 says:

> . . .the Royal Canadian Mounted Police have actually broadened the ambit of their criminal investigation to include a number of newly discovered suspect payments made by Atomic Energy of Canada Ltd.

I ask the minister, to what newly discovered suspect payments does this story allude? Second, when will the RCMP make its report? The Solicitor General said some weeks ago it would be tabled by now. Finally, because of the important work the public accounts committee is doing in this regard, when will this new evidence be referred to that committee?

● (1450)

Hon. Ron Basford (Acting Solicitor General): Mr. Speaker, I doubt very much whether the nature of that evidence can be disclosed until the investigation is completed and it is indicated whether criminal charges should be laid. I will, of course, refer the question to the Solicitor General and see that any additional answer that might be made will be made.

* * *

CONSUMER AFFAIRS

EFFECT ON PRICE OF ESTABLISHMENT OF CHICKEN MARKETING BOARD—GOVERNMENT ACTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, notwithstanding my party's original stand vis-à-vis marketing boards, I put the following question to the Minister of Consumer and Corporate Affairs to the spokesmen of Canada. It has come to our attention that a government report states that the recently approved national chicken marketing agency will cost consumers $89 million during its first year in operation and in some cases certain individual Canadians will be paying twice the amount for chickens. As spokesmen for the consumers of this country, has the minister brought this matter to the attention of the Minister of Agriculture and discussed it with him, outlining the grave consequences of this action? Who prepared this government document? Where did it come from?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I gather that the report to which the hon. member is referring is one released by the Consumers' Association of Canada. I understand it has not been obtained from my department. I would point out, as the hon. member is aware, that the system of supply-management marketing boards contemplated under the National Farm Marketing Act and the chicken broiler plan does contemplate some border controls to stabilize the industry here in Canada. I suppose it is fair to say, if experience proves any guide, that Canadian consumers will regrettably be faced with price increases. However, I certainly do not wish to provide any such estimate as that contained in the hon. member's comment. I can only hope that the price increases will be as modest as possible.

POSSIBILITY OF MILK PRICE WAR BETWEEN FEDERAL AND PROVINCIAL AUTHORITIES—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Was not this a confidential report prepared by the minister's department? I will reiterate my question. Has the Minister of Consumer and Corporate Affairs raised this matter with the Minister of Agriculture now that the recent report has indicated that the Canadian consumer may be the victim of a price war between the federal authority and the provinces in relation to milk? These are two important problems involving the Canadian consumer. One, we assume, is based on a confidential report from the minister's department. Has he raised these serious matters with the Minister of Agriculture and what kind of a break, as a result of the minister's representations to the Minister of Agriculture, can the Canadian consumer expect?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot comment on the suggestion about the price war that the hon. member refers to between the provinces and the federal government on milk. Also, I cannot confirm or deny the existence of the study to which he refers because, as I suggested to him, what he refers to is not something released by my department, to the best of my knowledge. The hon. member asks if I have brought my point of view or that of my department to the Minister of Agriculture. I point out to him that the National Farm Marketing Act contemplates a poultry marketing scheme. Hearings were held under the act. A recommendation was made by the Minister of Agriculture to cabinet which bore a positive response from those hearings held under the act. I cannot go beyond that and discuss with the hon. member what my views might have been at that time when the recommendation was made by the Minister of Agriculture.

ENERGY

OIL—SUGGESTION EXTRA REVENUE BE PLACED IN FUND TO BE USED ONLY FOR EXPLORATION

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I will direct my question to the Acting Prime Minister. Is it correct that the increase in oil and gas prices recently announced by the federal government will result in windfall revenues of some $1 billion going to oil companies, largely foreign owned, without any obligation on their part to use any of this money for exploration for and development of oil and gas resources? If this is so, as appears to be the case, will the government take immediate steps to protect the interests of Canadian consumers, on whom the burden of these higher prices will fall, by ensuring through legislation that the oil companies will get this additional revenue only if, as and when they carry out exploration and development work additional to what they have been doing?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not in a position to confirm the alleged facts pointed out by the hon. member. His question is in the nature of a representation which will be considered.

* * *

SOCIAL SERVICES

POSSIBILITY PROPOSED LEGISLATION INFRINGES PROVINCIAL JURISDICTION—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the charge by Mr. Lazure that the federal government uses cost-sharing programs to enter into areas that the constitution closes to it and is justifying expansion of the civil service by going into fields not part of its jurisdiction, has the minister considered whether his proposed social insurance services act is an infringement upon provincial jurisdiction?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Ritchie: As Mr. Timbrell has said that the conference was so empty it could have been preceded by a one-page memo rather than a two-day conference, will the minister advise whether anything useful was accomplished at the conference?

[*Translation*]

Mr. Lalonde: Yes, Mr. Speaker.

[*English*]

ACCEPTANCE BY PROVINCES OTHER THAN QUEBEC OF PROPOSED LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, now that the province of Quebec has registered its very adamant objection to the introduction of new social services legislation, can the minister advise whether in fact all of the other provinces accept the legislation as introduced? If not, is it his intention to in any event push ahead, notwithstanding the fact that he does not have full support?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the provinces and the federal government together studied six different projects before chosing the one that was tabled in the House. No province, other than Quebec, has indicated any disagreement with the one tabled in the House which corresponds to the sixth version distributed for consideration to the provinces. I must point out, in addition, that at no time prior to the conference last week, either during discussions held in recent years or on several occasions since November 15 last, did the Quebec government indicate, through its officials or otherwise, that it did not agree with the proposed legislation.

[*English*]

SUGGESTED DELAY OF PROPOSED LEGISLATION PENDING CONSULTATION WITH QUEBEC—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): The province of Ontario is a big province, as is the province of Quebec. In light of the fact that we want equality of treatment and if Quebec insists on not giving its consent to this very important piece of legislation, will the minister advise whether he is prepared to withhold second reading of this bill until he has had further consultation with the provinces, in particular the province of Quebec, in order to see whether we can find some common ground in order to proceed?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, not only are the provinces of Ontario and Quebec important, but we do have ten provinces in this country. We had intensive consultations with all provinces and I intend to resume the consultations which took place in the past, in the same spirit, with all provinces. I do not think federal-provincial relations can lead to a situation where the provinces of Quebec and Ontario would have a sort of right of veto over all projects which could include federal-provincial cooperation. I can assure my hon. colleague that I will do my best to get continuous cooperation from those provinces which are of particular importance due to their population. I can also tell the hon. member that the Quebec Minister of Social Affairs said that he would send me additional comments in the near future. I am looking forward to receiving them. I do not intend to proceed to second reading of this bill until I receive the comments of my colleague from Quebec.

[*English*]

NATIONAL DEFENCE

PLACEMENT BY MEMBER OF OFFICE TRAILER ON DOWNSVIEW AIR BASE

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Minister of National Defence. As a

result of questions put to him on April 25, the minister indicated that the time honoured policy of separation of politics and politicians on Department of National Defence bases has been altered. Can the minister now confirm that he changed this time-honoured policy so that he could accommodate a fellow Liberal, the hon. member for York Centre, so that the Parliamentary Secretary to the Minister of Finance could put his red, party-coloured trailer with his name emblazoned on the outside of the National Defence Air Base at Downsview?

● (1500)

Some hon. Members: Oh!

* * *

CANADIAN NATIONAL RAILWAYS

DATE OF DECISION ON INQUIRY INTO SINKING OF "WILLIAM CARSON"—STEPS TO FIND REPLACEMENT

Mr. James A. McGrath (St. John's East): My question is for the Minister of Transport. Has an official decision yet been taken with respect to the establishment of a judicial inquiry into the sinking of the CN ferry *William Carson* and, if so, when will such an inquiry be established?

Perhaps the minister could take this opportunity to tell us what steps the government has in mind to find a replacement as soon as possible for this ferry since many thousands of reservations have had to be cancelled because of the loss of the vessel.

Hon. Otto E. Lang (Minister of Transport): Final details in connection with the inquiry have not yet been arranged but I hope it will be possible for this to be done soon. We have been looking at the question of alternative vessels and their availability; we have also been examining ways in which to use the total fleet on the east coast as effectively as possible.

* * *

TRANSPORT

HIGHWAY PROGRAM FOR MARITIME PROVINCES—POSSIBILITY OF CHANGE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. Now we have had some indication from the Council of Maritime Premiers and the Province of Newfoundland through their respective highway ministers relating to further meetings with the minister regarding the $100 million highway program for the Atlantic region, would the hon. gentleman indicate whether he intends to carry to that meeting a much broader outlook with respect to the $1 billion program which has formally been asked for by the four provinces or whether he intends to consider only some modification of the $100 million program he recently announced?

[Mr. Dick.]

Hon. Otto E. Lang (Minister of Transport): The very first proposals from the Atlantic provinces which did involve a program of just under $100 million was seen as being one which would extend over a period of years—perhaps at least ten years. What we have proceeded with at this point is a proposal for a cost-sharing arrangement for three years in relation to a cost-sharing arrangement involving, on our part, $100 million, which is a very significant step toward the accomplishment of the ultimate objective. At the meetings this afternoon I shall obviously be discussing with the Atlantic transport ministers the question of the relationship between the first phase of the program and the long-term objectives.

Mr. Forrestall: So, we are to understand that the minister's position with respect to this introductory offer of $100 million is essentially the position he will be putting before the four Atlantic highway ministers or transportation authorities.

Mr. Lang: It would really be inappropriate for me to deal in the House today with the full range of discussions to be held this afternoon. I am surprised the hon. member can so offhandedly refer to $100 million as though it were an insignificant sum. It seems to me it is an important contribution toward highway improvement in the Atlantic region and I had hoped Atlantic members would recognize this and welcome it accordingly.

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ADMINISTRATION OF JUSTICE

REQUEST FOR STAY OF PROCEEDINGS AGAINST EDWARD ZIEMBA—PROPOSED LEGISLATION TO PROTECT SOURCE OF CONFIDENTIAL INFORMATION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Justice. It is in two parts. In view of the fact that the people of Ontario are shocked and disgusted that a member of the Ontario Legislative Assembly, Edward Ziemba has been held in the Don Jail in Toronto for refusing to reveal to a court the name of the person who gave him confidential information, would the minister immediately contact the Attorney General of Ontario and ask him to stay the proceedings of the trial and refer the matter to the Ontario Court of Appeal? The second part of my question is this: would the minister bring in legislation to prevent a recurrence of this situation?

Hon. Ron Basford (Minister of Justice): I shall be having dinner this evening with the Attorney General of Ontario and shall inquire what he intends to do. As to the second part of the question, which is an important one, it is necessary, of course, to consider and balance the interests of the accused in a full and fair trial by having in court all possible information which may be helpful to the accused. On the other hand, of course, there is the interest of people concerned with maintaining confidential privileged communications. The Law Reform Commission has, in its study of the Evidence Code and in its consideration of trial procedures, been looking into the ques-

tion of privilege and has recommended a discretionary privilege in cases which may be similar to the Ziemba case. I would suggest that such a discretionary privilege has been recognized by the Supreme Court of Canada, and Mr. Ziemba's solicitors may want to consider that case, in particular, the case of Slavutych and Baker, and determine whether it is applicable to the present situation.

Mr. Gilbert: Will the Minister of Justice translate into legislation the case heard before the Supreme Court, one which is of interest not only for Edward Ziemba but for other Canadians?

Mr. Basford: As the hon. member knows, the Law Reform Commission in its proposed Evidence Code recommended a discretionary form of privilege. I have indicated that the Evidence Code is a matter for consultation with provincial governments and members of the bar associations. This consultative process is almost completed and we shall be discussing this subject further at the forthcoming meeting of provincial attorneys general.

PROPOSAL THAT UNAUTHORIZED WIRETAPPING EVIDENCE BE INADMISSIBLE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice a question. It deals with the debate which is to take place on Bill C-51. The purpose of the question is to shorten the time likely to be taken up, particularly on the report stage. The reason I ask this is in reference to the invasion of privacy and the hon. gentleman's amendment with reference to the admissibility of evidence from authorized or unauthorized wiretapping leaving it to the discretion of the judiciary, and the Supreme Court of Canada having laid down in the Wray case the kind of discretion which must be exercised, leaving the rest of the judiciary in Canada effectively without discretion, will the minister now reconsider his position, myself having put that proposition to him, and accept my proposition which would make any evidence derived from unauthorized wiretapping inadmissible, either part of that conversation or the derivative evidence?

Hon. Ron Basford (Minister of Justice): As the hon. member knows, this matter was very thoroughly discussed in the Committee on Justice and Legal Affairs and it will be debated again before passage. It would seem to me that the amendment worked out in committee and approved in committee is a very good one and falls within the concept of the recommendation of the Law Reform Commission which studied the whole field of evidence over a long period.

ROUTINE PROCEEDINGS

[*Translation*]

INDUSTRY

TABLING OF PAPER ON AUTOMOBILE INDUSTRY IN NORTH AMERICA

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I am tabling today, in both official languages, a paper on the automobile industry in North America.

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[*English*]

PRIVILEGE

MR. COATES—ALLEGED PARTISANSHIP IN CELEBRATION OF DOMINION DAY

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I rise on a question of privilege which in my opinion affects all members of the House. Most of my remarks will be directed to you, Sir, as the guardian of our rights as hon. members.

Today we begin what is known as Canada Week, and already questions have been posed to the Acting Prime Minister in relation to some of the functions which are taking place today on the Hill and to others which will be taking place later, most of them on July 1. My concern arose before today's events. The leader of the New Democratic Party today highlighted what can happen when the events are not handled in a proper manner from the point of view of parliament and members of this House.

I should like to stress that Parliament Hill comes under Your Honour's jurisdiction. The events which take place on this hill from time to time are Your Honour's responsibility. If something is going to transpire here, then you must be contacted and approve of what is happening. I would not want any member to think what is happening, at this time and in this way revolves around Your Honour in such a way as to leave the impression in the minds of the public that there is a partisan endeavour on the part of the executive of the government to usurp the responsibilities of all members of parliament to participate in a positive way toward making Canada a greater place than it is at this moment in time and to promote the theme of national unity, which appears to be the objective the government is striving to attain.

● (1510)

As a member of parliament who has been here for some years, I have participated at other times in significant events on Parliament Hill. Without exception, on every one of those occasions, every individual member of parliament, as well as those from the other place, were made aware of what was happening and were asked to participate in a positive way. I remember the Hon. Judy LaMarsh, when she was secretary of state, doing everything she possibly could in 1967 to involve

every individual member of parliament in what was happening on Canada's 100th birthday.

On this particular occasion, I have been informed of what was happening by what I read in the newspaper, heard from the media and from the right hon. member for Prince Albert (Mr. Diefenbaker). He has become aware of what is happening and has tried to make this House aware of the fact that what is happening is not in the best interests of this nation as a whole. It is urgently necessary for Your Honour to assume responsibilities on the part of all members of this House to see that all members are included. With the Speaker of the other place, Your Honour should see to it that all members of parliament from both Chambers have an opportunity to participate in every way they can at this late date. Canadians should be made aware that this is not some kind of partisan endeavour on the part of the Liberal government, but it is something in which all members of parliament wish to participate, in the hope that Canada will be a stronger and better place to live.

We look forward to Canada being a better place for our children to live in as a unified nation. If something is not done right away, I am fearful we will find ourselves in a position where the people of this nation do not even realize that there are other leaders and other political parties in this country. That may be something to laugh about, if you happen to come from the Liberal Party, but that is what irritates me no end. This should not be some kind of a partisan endeavour in which Liberals have a special right to participate. This is something for all Canadians.

Some hon. Members: Hear, hear!

Mr. Coates: It is time for all Canadians to see all their members of parliament participating. No government has the right to spend taxpayers' dollars to finance a special show for the Prime Minister of this country, which excludes everybody else who happens to be a member in this House.

Some hon. Members: Hear, hear!

Mr. Coates: No government has the right to set up the Prime Minister of this country as some sort of saviour of this nation. Every member in this House has a very determined desire to participate and make Canada a stronger place than it is right now. We have no available way of doing that. The government has precluded us, one and all, unless you happen to be a member of the Liberal Party, from participating in any way.

It is nothing short of shocking and scandalous, as far as I am concerned, to think the Minister of National Defence (Mr. Danson) kicked off Canada Week. Canada Week is something we have never heard of before. It is not part of our constitution, unless hon. members on the other side are writing it day by day. The Minister of National Defence, speaking for the Prime Minister, appears to be the only member opposite who has anything to say about Canada Week, aside from the Secretary of State (Mr. Roberts). In a letter I have, the Prime Minister refers to Canada Day, which is a new day as far as I am concerned. There is no legislation in existence which signifies July 1 as Canada Day. Up to now July 1 has been Dominion Day. If the government wants to change Dominion Day to Canada Day, let them introduce legislation into this House and let them pass it. If they can introduce it and if it can secure majority approval, then I have no argument about it. I accept July 1 as being Dominion Day. By writing letters, the Prime Minister cannot legislate for this country; but it may be we are not too far from the day when he will be able to legislate by edict under his signature. I hope that day never arrives.

This is not going to be a week in which unity becomes highlighted in this nation. If this government continues to use this week for partisan political purposes, which is what it is doing right now, I have to object to that as strenuously as I can. I ask Your Honour to protect us as individual members of this House and to see to it that every member has the same rights. When we came to this Chamber, we elected you to protect each and every one of us. I ask you to give us that protection through your office. We do not have that protection right now, when one considers what has been planned for this week. It will be a terrible atrocity if this government is allowed to go forward with the program they are presenting to the people of this country.

As was indicated today, unfortunately the Acting Prime Minister (Mr. MacEachen) does not know anything about it. He cannot even answer the hon. leader of the New Democratic Party (Mr. Broadbent) as to who is putting on the festivities and what they are about. Everybody in this Chamber now realizes the Acting Prime Minister has been eliminated from participating in any way, shape or form. That is a terrible thing to be happening in this country at this stage of our affairs.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, I would like to give some information on what did happen today. Canada Week was inaugurated by the Council for Canadian Unity, a private organization which has requested permission to use the platform in front of the Parliament Buildings to launch Canada Week.

I can seek information to know if the federal government contribution was limited to lending the platform but I do not think so. I could bring some details tomorrow. I believe that the private organization which has inaugurated Canada Week is the Council for Canadian Unity.

• (1520)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I hope the Parliamentary Secretary to the Secretary of State (Mr. Guilbault) has not lost sight of the fact that the question of privilege which was launched by my colleague goes far beyond the matter of Canada Week. It was not a private organization which sanctified July 1 as a date of some impor-

tance in our country. The parliamentary secretary may have forgotten, but on that particular day we will celebrate the birth of a nation. It was a birth which had some difficulties, but in 1867 it was supported by all parties and by all elements generally in the legislatures.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Over the years the nation has had some rather tough times. Some of those rough times came about because governments did not care. I am not necessarily talking about this government, but governments have sometimes forgotten the importance of certain symbols and minorities. They have been just a little neglectful, and as suggested by my colleague, who spoke with much eloquence with respect to July 1, 1977, this matter should not be allowed to continue in this way.

If none of the leaders of the federalist parties in this House—except of course, the Prime Minister (Mr. Trudeau)—are allowed to participate officially in the festivities of that day on Parliament Hill in front of the building which is supposed to signify in some way our sense of national unity, then with respect to the institution of confederation this government will not only neglect that institution but also harm it. I hope you, Mr. Speaker, as the first commoner, will not allow that to happen.

Last year I asked a question of the then secretary of state, who is now the Minister of State for Science and Technology (Mr. Faulkner), whether is was the intention of the government to provide $200,000 to assist in the promotion of a program celebrating Canada's birthday in 1976. I was told by the minister—in fact, I was jeered by him—that I must remember that the restraint program was in operation. This year when the corpse which was supposed to be dead, namely separatism, has announced that it is alive and kicking in one part of the country, it is interesting that this government should not spend merely $200,000 on an important event but that it is prepared to spend in excess of $3 million on an important event because the circumstances are different.

Circumstances certainly are different. Canada is facing a problem now, and its solution will depend on good will in this chamber and in every part of this country. If this kind of insipient partisanship which seems to have developed over this holiday—and I am using the real sense of the holiday; it is not just a day off—is allowed to happen, Canadians will be given a one-sided view of our interest as parliamentarians in celebrating that day. That is why I admire the hon. member who raised this question of privilege. It is important that we understand that no matter where we sit in this House of Commons, whether it is to Your Honour's right, to your left, or where you sit, it will be an important day not just for the Prime Minister, for the government of the day or for the Liberal Party; it will be important for all Canadians and all their representatives.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I cannot believe, Sir, that it is beyond the imagination of yourself, of hon. members of this House or of a representative group to decide the best way in which this parliament as a whole—without regard to parties in the partisan sense but with regard to parties in the sense that we represent all Canadians who sent us here—should celebrate. Particularly the leaders of all the parties—and a representative of one party because of an unfortunate circumstance last weekend—should be allowed to participate openly in the celebrations on this bill for Canada's birthday.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have some serious difficulties with the fundamental aspects of questions of privilege as they involve any kinds of celebrations taking place anywhere in the country and certainly the role of the Speaker in attempting to decide the agenda of any event anywhere. However, there is an aspect of this question which does fascinate me, and that is not so much the arrangements about the expenditure of funds or the arrangements made by the government of the day. What interests me from the point of view of the privileges of all hon. members is the setting for these celebrations on July 1 being the House of Commons itself. Were they in the building, it would of course be clear that they would be subject to considerable jurisdiction on my part. As they will be located outside the building, that raises some more interesting questions of precise and exact jurisdiction.

In any case, I think all hon. members would probably realize that it is most doubtful that my jurisdiction in this matter would extend or would be expected to extend to the precise agenda or to the individual arrangements whether it be on a question of protocol or otherwise. That would be very difficult to expect each time I am asked to extend to hon. members of any party the use of these rooms and these buildings which, as I think all hon. members know, is a matter to which I have directed my attention several times in the past.

I have attempted to develop a policy that whenever these premises are used by hon. members to receive Canadian people who are taxpayers or visitors, there ought to be some parliamentary connection. We have attempted to do some things which would on the one hand encourage that activity to take place, because it is at the very root of our democratic system. However, on the other hand we must see to it that this does not become a commercial establishment and that events are not held here when they ought to be held in commercial premises. Therefore, what I am attempting to do is to exert some influence over the content of what takes place on these premises and to bear in mind that when the buildings of parliament are being used the activities should have a parliamentary flavour and a parliamentary purpose. Even if that were the motivation, which I feel all hon. members endorse, it would not be expected that I would want to inquire on every occasion into the full details of the agenda and of the arrangements, but I think it ought to be expected that since the parliament buildings are being used, I, on behalf of all members of parliament, ought to attempt to encourage the highest possible

use and the appearance of the highest possible use, to the best interests and motivations of the premises.

Therefore, I could indicate to the hon. members who have participated in this discussion that while I do not see myself now—or at any time that I give my permission to any hon. member or group of hon. members to use these buildings—in a position to insist upon certain arrangements in their agendas, I certainly see myself in a position to encourage as much as possible the best possible use of the buildings in every sense and the appearance of that, and perhaps therefore I will take the matter under advisement and see what might be done in this regard.

● (1530)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have been standing for some time in anticipation of being recognized. I realize that Your Honour is taking the whole matter under advisement, but while you are doing that may I be permitted to make a couple of remarks that I think are germane to your consideration of the matter.

The hon. member for Cumberland-Colchester North (Mr. Coates) has put forward his point very well to the effect that you are in fact the person who had a direct involvement in the use of the parliament buildings and, I suggest, the grounds that surround the parliament buildings. But I think there is another consideration and, I suggest with the greatest respect, you should take it under advisement. That is the fact that we in the House are only one part of parliament. After all, Sir, you as the Speaker of the House who are seized with the responsibility of judging matters of privilege with respect to every member are also a person who must in fact give consideration to the protection of the rights of parliament. As you know, Mr. Speaker, parliament consists of three parts, the Crown, the Senate and the House of Commons. What I am suggesting to you is that there is a fundamental question in the use of the grounds and of the parliament buildings as a backdrop for national television during this week and particularly on July 1st. The Parliamentary Secretary to the Secretary of State (Mr. Guilbault) suggests that the government has no control over an independent body which is organizing celebration on July 1st. Yet, if that independent body, whoever they are, did not have $3.5 million to use for this function, we would not have the backdrop, we would not have jets of the Department of National Defence planes flying over or a fly past of Jet Stars, whatever, and we would not have any celebration at all. So the point that the parliamentary secretary makes that there is no involvement by the government is a facetious point.

Secondly, I say that a double standard is developing here with respect to the operation of Canada Week and July 1st by this government of which I think you should be aware, Mr. Speaker. In the province of Quebec we witnessed the spectacle this weekend of the Minister of Industry, Trade and Commerce (Mr. Chrétien) participating at the celebrations there on behalf of the government. So far as the government is concerned it was quite satisfactory for representatives of the opposition party in Quebec, which I believe is the Liberal party, to be invited to participate, but when it comes to the national day in the capital of Canada, no provision is made for representatives from both sides of the House of Commons to participate.

I tell you, Sir, that this is not a matter which we take lightly. I know that in my own province in western Canada people are terribly concerned about the fact that there is no place in this participatory program for the Governor General. After all, he, not the Prime Minister (Mr. Trudeau), is the representative of the head of state. The fact is that the Prime Minister has been received as head of state in foreign countries, that he has developed a large bureaucracy around him and that, in answers to the right hon. gentleman in his own words, he holds himself out as leader of this country. This implies that he considers himself to be leader of our country rather than the Governor General, and this is something that you, Mr. Speaker will have to consider. Unlike the situation in the United States we have a separation between our political leader and our head of state. Our Governor General is non-partisan, and we have a Prime Minister who is a partisan, political figure. Whether we like it or not, when someone speaks on behalf of all Canadians, it should be the representative of the head of state, the Governor General. Until that is changed, the use of parliament buildings, with the large flag flying over our building, with the expensive stage out in front, with the use of Department of National Defence planes and large expenditures of money, should be considered by you, I suggest with all respect, to be indirectly a challenge to the rights and privileges of every member of the House of Commons.

Mr. Dick: Mr. Speaker, I rise on a question of privilege arising from a question which I raised in the question period. I caught Your Honour's eye to ask a question in which I was seeking information. On April 25 of this year I put a number of questions to the Minister of National Defence (Mr. Danson) concerning the fact that he was allowing members of parliament to put constituency offices on national defence bases, something which has never been allowed here before. We have not been allowed on national defence bases before unless invited by a resident. There has been a great change in policy on this matter. Today I sought information on this matter because this time honoured policy had been changed and I wanted to confirm when and at what time it had been changed. I feel that my privileges have been—

Mr. Speaker: Order, please. Surely the hon. member knows very well that if he wishes to differ, as he is attempting to do, with the decision I made in respect of the handling of a question during the question period, it is a decision I have taken which is not subject to appeal. Secondly, this matter would never amount to a question of privilege, and thirdly, if the hon. member wishes to seek information, it is a valid objective during the question period. However, he must realize that the form in which he put his question today was clearly objectionable on the grounds of being argumentative. It was seriously argumentative.

Mr. McGrath: Mr. Speaker, in an effort to clear up the record regarding a point of order I raised on June 22, as reported at page 6994 of *Hansard*, on which Your Honour deferred your ruling last Thursday because you wanted clarification and, as you put it "precision", may I put forward this point as briefly and precisely as I can. I will narrow down my point of order to the argument that the Minister of Supply and Services (Mr. Goyer), as reported at page 6968 of *Hansard,* made reference in his speech to two letters. It is these two letters that I would like to have tabled in accordance with the practices of the House. In support of my argument may I quote citation 159(2) and citation 159(3) of Beauchesne's Fourth Edition. I would also put forward in support of my contention a ruling of Your Honour of April 8, 1976 to be found at page 12612 of *Hansard*, and I respectfully submit to Your Honour that you take these under advisement. That is my point put as precisely as I could, Mr. Speaker.

Mr. Speaker: I would want some indication as to whether or not there are to be counterarguments, and then I will take the matter under advisement. If there is to be any counterargument, it will be made one day from now, and then I will take the matter under consideration.

Mr. Brisco: Mr. Speaker, I rise on a point of order. As reported at page 7015 of *Hansard* of June 22, during a speech I was making on opposition day dealing with the matter of Cardinal Family Farms of Alberta I posed a series of rhetorical questions. However, my concluding remark was that the Cardinal Family had equity of $10,000 and received $153,000. That is a clear statement of fact rather than a rhetorical question.

I would have raised this point previously—and I will get to the point of order—but I did not have *Hansard* to refer to, it was in the hands of *Hansard*. There is no question that *Hansard* reported me correctly, but I would like to seek an opportunity, in light of my statement and in light of the statements of officials of the Department of Indian Affairs and Northern Development, that subject to the dedication of all parties serving on the Standing Committee of Indian Affairs and Northern Development and as an indication of my dedication and the dedication of other members—

Mr. Speaker: Order, please. The hon. member will have to make it clear whether he is attempting to make a correction to *Hansard* or to clarify what he said on an earlier occasion.

Mr. Brisco: It is not a correction of *Hansard,* Mr. Speaker, it is a withdrawal of a remark I made which appears in *Hansard.*

Mr. Speaker: Order, please. I am not aware of any procedure by which that can be done. Certainly, it cannot be done by way of a point of order in these circumstances. The hon. member might want to attempt to do that in some other way. However, it would require considerable consent and some examination as to the procedural basis for doing so. It cannot be done by way of a point of order under a correction to *Hansard.* The hon. member might want to give it some thought and to seek some advice as to how the matter might best be approached.

* * *

● (1540)

BUSINESS OF THE HOUSE

CANCELLATION OF AFTERNOON SITTING ON JUNE 28

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the untimely death of our friend and colleague the hon. member for Lotbinière, the leader of the Social Credit Party, I understand there is a proposal with respect to the sitting of the House tomorrow. Perhaps the Parliamentary Secretary to the President of the Privy Council could advise us of that and then there is another matter I should like to raise.

Mr. Goodale: Mr. Speaker, there have been the usual consultations and it is agreed that the House of Commons shall not sit tomorrow afternoon as a gesture of our profound respect for the late hon. member for Lotbinière.

Mr. Baker (Grenville-Carleton): Mr. Speaker, since we are getting close to what might be construed as the end of the session, perhaps I could ask the question about the business of the House today. Could the parliamentary secretary confirm that it would be satisfactory that the votes on amendments to the unemployment insurance legislation be held this evening with the bells commencing at 9.45 p.m.?

Mr. Knowles (Winnipeg North Centre): For 15 minutes only.

Mr. Baker (Grenville-Carleton): We will do our best on that. Could the parliamentary secretary inform us prior to beginning debate on Bill C-20, the legislation respecting the Auditor General, whether it is the intention of the government to bring in changes to the Standing Orders, or whatever is necessary, in order that the understanding that has been reached that the report of the Auditor General be automatically referred to the public accounts committee instead of being referred in the usual way can be put through? This is important from the point of view of the debate that is about to take place and it is a matter upon which I understand there is no difficulty between the parties in the House. If the parliamentary secretary cannot give me that information now, would he be prepared to do so later today?

Mr. Goodale: Mr. Speaker, to deal with the several points raised, perhaps I should go back a bit and conclude with some information about the hours for tomorrow. As I indicated, it would be appropriate that the House not sit tomorrow afternoon, but sit the normal hours in the morning and the evening.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think this has been agreed to but I think it should be made clear in the form of a House order and that a minister should request a House order. It is my understanding that we will sit tomorrow from 11 a.m. to one p.m. on government business,

rising until eight p.m. and sit from eight p.m. until 10.30 p.m. on government business. In other words, we are aware that in doing this we are making no provision for routine proceedings or the question period tomorrow afternoon. It seems to me that this should be cleared up by a House order. There are still a couple of ministers in the House.

Mr. Goodale: Mr. Speaker, there may well be a couple of matters in the course of dealing with the business of the House that would require House orders. Perhaps we should go through the list and determine what we need in the way of a House order. I could then ask the President of the Treasury Board to seek the orders.

Mr. Baker (Grenville-Carleton): That is agreeable, Mr. Speaker. I think my friend means he will be dealing with the matter later today.

Mr. Speaker: Order, please. Perhaps there will be some consultation. We will be coming to motions shortly so perhaps there will be an application for a House order then.

Mr. McCleave: Mr. Speaker, am I allowed to speak on this?

Mr. Speaker: Yes, of course the hon. member is allowed to speak. We are attempting to clear up a matter of House business and other hon. members may want to speak on it.

Mr. McCleave: Mr. Speaker, I want to ask about the committee meeting in the afternoon. One is scheduled for tomorrow and if it should have to be rescheduled out of respect for our late friend I should like to set the wheels in motion now.

Mr. Goodale: Mr. Speaker, we could certainly cover that point in the House order that is to come later in the day. It would seem to me if the step we contemplate is a gesture of respect for one of our colleagues it would follow that neither the House nor committees would meet.

To revert to the point raised by the Conservative House leader, may I say it is agreeable to the government and I hope there will be unanimous consent, that votes on Bill C-27 deferred earlier today be taken tonight at 9.45 p.m.; that is, the bells would begin to ring at 9.45 p.m.

In connection with the other items of business, we intend to proceed this afternoon with Bill C-20, the legislation on the Auditor General. If standing divisions are called for during the course of that discussion it might be appropriate that those votes, if required, be deferred until 9.45 p.m. as well.

After we dispose of the Auditor General's legislation there are two finance bills waiting at report stage, the legislation dealing with the Bretton Woods Agreements and the legislation relating to currency and exchange. Thereafter, it would be our intention to move to Bill C-49 relating to the Canada Pension Plan. That is the order of business we had in mind.

Regarding the automatic reference of reports of the Auditor General to committee, I would have to leave that point for further consultation. The President of the Treasury Board may have something specific to say about it at this stage, but if not, I will undertake to consult on that point and report to the opposition House leader later in the day.

[Mr. Knowles (Winnipeg North Centre).]

Mr. McKinley: Mr. Speaker, on the same point of order, I was given to understand a few days ago that from five p.m. to six p.m. tomorrow a number of private members' bills would be brought forward. They are simply measures to change the names of some ridings and would not take very long. I wonder if the parliamentary secretary could advise when they might be rescheduled so that this legislation can go through before the session ends.

Mr. Goodale: Mr. Speaker, I cannot give that precise information at this time, but I will consult with the House leaders and hopefully will be able to give the hon. member the information before the end of the afternoon.

Mr. McKinley: Mr. Speaker, I wonder if the parliamentary secretary could negotiate quickly as it might be possible to deal with this legislation today between five p.m. and six p.m.

Mr. Goodale: I will try, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think things are sorting themselves out but I was a little puzzled about why the parliamentary secretary included potential votes at report stage on amendments to Bill C-20. We already have 10 or 12 recorded votes to be taken tonight. Unless we have completed Bill C-20 and want to add those votes on tonight, I would suggest that we should not have any but the votes on Bill C-27 and hold Bill C-20 votes. Let us be satisfied with 10 or 12 votes tonight.

Mr. Goodale: Mr. Speaker, that was my intention when I raised the issue. If we finish Bill C-20, we could tonight dispose of the votes which may be deferred. If we have not finished with Bill C-20 tonight, I think we should deal with the deferred votes on it all at the same time, but at a later stage.

● (1550)

Mr. Andras: Mr. Speaker, I rise on a point of order. The Conservative party's House leader raised the point concerning referral of the Auditor General's report. I believe the chairman of the public accounts committee would confirm the communication sent by the House leader of my party to the effect that this matter would be dealt with through the procedures of the House, and that there will be favourable consideration of the matter at that time; the matter ought not to be dealt with in the Auditor General's bill or the amendments thereto, but ought to be dealt with in its appropriate forum.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. J.-Roland Comtois (Terrebonne) moved for leave to introduce Bill C-427, respecting the Electoral Boundaries Readjustment Act (Blainville-Deux Montagnes).

Some hon. Members: Explain.

Mr. Comtois: Mr. Speaker, I simply introduce this bill because the Electoral Boundaries Commission did not draw the required attention to the feeling of belonging to a region when choosing the name for a new riding, and did not take enough into account the importance of the number of citizens identified to that region for geographical, political and historical considerations, especially the area of Blainville, which is a part of it.

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

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. Jacques Guilbault (for the hon. member for Saint-Henri (Mr. Loiselle)) moved for leave to introduce Bill C-428, respecting the Electoral Boundaries Readjustment Act (Saint-Jacques).

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

Some hon. Members: Agreed.

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

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs) moved for leave to introduce Bill C-429, respecting the Electoral Boundaries Readjustment Act (Saint-Leonard-Anjou).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, the purpose of this bill is to change the name of a constituency, and I am introducing it on behalf of the hon. member for Saint-Michel who is also the Minister of National Revenue, and is absent.

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

[*English*]

BUSINESS OF THE HOUSE

Mr. Andras: Mr. Speaker, there have been certain discussions, and I would now seek the concurrence of the House to defer the votes on Bill C-27, the unemployment insurance bill, until 9.45 p.m.; also, to accommodate our desires for some special time to be available tomorrow in light of the death of one of our colleagues, I would ask that the House not sit between 2 p.m. tomorrow afternoon and 6.30 p.m.

Mr. Knowles (Winnipeg North Centre): What about the committees?

Mr. Speaker: Order, please. I take it that on the request of the minister the House is prepared to consent to an order deferring the divisions on the report stage of Bill C-27 until 9.45 this evening, and to an order that the House and its committees shall not sit tomorrow afternoon between the hours of 2 p.m. and 6.30 p.m., but that otherwise the House shall sit at the ordinary hours for this month, that is to say from eleven a.m. to 1 p.m. and from 8 p.m until 10.30 p.m. in the evening, for the consideration of government business.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,333, 2,426, 2,736 and 2,753.

[*Text*]

FEDERAL EMPLOYEES CHARGED WITH POLICY MAKING OR INTERPRETATION OF POLICIES

Question No. 2,333—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or interpretation of policies, regulating the production and control of alcohol, tobacco and firearms?

Hon. Francis Fox (Solicitor General): (a) Nil; (b) four.

NATIONAL DEFENCE—STUDENT SUMMER EMPLOYMENT

Question No. 2,426—**Mr. Marshall:**

1. What additional staff was hired and what was the cost to operate the Student Summer Employment Programme (a) Reserve Training (b) Community Assistance (c) KATIMAVIK (d) Cadet Training and Activities under the Department of National Defence?

2. Are any other programmes available for students under the Department?

Hon. Barney Danson (Minister of National Defence): 1.

Order Paper Questions

	1977 Number Planned to be hired	Planned Costs
(a) Reserve Training	4,000	$6.029M
(b) Community	1,450	1.885M
(d) Cadet Training	1,053	2.998M
(c) KATIMAVIK		This program is not a DND program. The present pilot project is planned for 1,000 participants at an initial cost of $7.9M

2. No.

NATIONAL DEFENCE—SALARIES OF SENIOR OFFICIALS OF DCL

Question No. 2,736—**Mr. Robinson:**

What is the salary of the (a) Executive (b) Director (c) Chairman (d) Vice-Chairman (e) board members of Defence Construction (1951) Ltd.?

Hon. Barney Danson (Minister of National Defence):

	Title	Salary Range
(a) Executive	President and General Manager	$31,500 to $41,500
	Vice President Treasurer Secretary	$27,500 to $36,500

(b), (c), (d) and (e). The Chairman is the President and General Manager of Defence Construction (1951) Ltd. There is no Vice-Chairman. The Board members of Defence Construction (1951) Ltd. are all directors and they are senior officials from other government departments and they receive no remuneration from Defence Construction (1951) Ltd.

NATIONAL DEFENCE—PERSONNEL IN MARITIME PROVINCES

Question No. 2,753—**Mr. Fairweather:**

As of April 1, 1977, how many members of the Canadian Armed Forces and civilian support staff are located in (a) Halifax-Dartmouth (b) Moncton (c) Fredericton (d) Saint John?

Hon. Barney Danson (Minister of National Defence): (a), (b), (c) and (d).

Location	Military	Civilian	Total
Halifax-Dartmouth	8,240	5,004	13,244
Moncton	150	459	609
Fredericton	14	18	32
(Gagetown)	2,920	1,081	4,001
Saint John	65	18	83
Totals	11,389	6,580	17,969

[Mr. Danson.]

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2326 could be made an order for return, this return would be tabled immediately.

[*Text*]

DISPLAY CARS IN CENTENNIAL TRAIN

Question No. 2,326—**Mr. Benjamin:**

1. What was the (a) cost (b) schedule (c) disposition of the display cars in the Centennial Train which toured Canada during 1967?

2. What were the design plans for such cars?

3. Who was responsible for organizing the display cars and who worked on them?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. McCleave: Mr. Speaker, I rise on a question of privilege. Following the ancient customs of the House, I do it at the first opportunity, in this case about ten seconds after the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) resumed his seat. A number of us have been struck by the fact that the order paper seems to grow larger and larger and the amount of information provided by way of answers to questions on the order paper smaller and smaller. Accordingly, I took it upon myself this afternoon to look at the first part of the order paper devoted to questions and I found that 31 questions, all set down on the same date, have not been answered. I refer to that list of questions beginning with No. 1 and ending with No. 121, all in the name of the hon. member for Leeds (Mr. Cossitt) none of which has been answered. In other words, 31 of the first 121 questions on the order paper still remain unanswered.

The next question listed is No. 138, in the name of the hon. member for Winnipeg North (Mr. Orlikow). It is apparent that the questions of one hon. member have received a singular lack of attention from the government. That has provoked my question of privilege and I intend to found a motion upon it. Certainly, in this House we confront a most serious situation.

Sir, I know that some of the questions which have been asked in recent years can be pretty annoying and pretty stinging, but in the first 30 questions set down in the order paper by the hon. member for Leeds the strongest language I can find, to which not even the most exceptional person could take exception, is contained in a phrase found in both questions 29 and 30 which reads:

. . .included attendance at Liberal party functions or political business of any kind, directly or indirectly?

I do not think there is enough sting in that to merit the stonewall thrust up before the hon. member for Leeds.

I remember the answers to other questions, and remember the famous exchange which arose from the statement the Minister of Agriculture (Mr. Whelan) made in western Canada, the statement that ferocity toward love might be inspired by the eating of beef. Some bright soul in the bureaucracy—I would not give the Minister of Agriculture credit for it—was able to fish out an appropriate quotation from Shakespeare. That was part of a beautiful game. But I cannot see that the government's stonewalling tactics are any part of a beautiful game. I think they are an affront to us. If we ask a question the least bit penetrating, or with even a tincture of political punch—and I have not read them all because some are too long—they are not answered. However, I think the hon. member for Leeds has a complaint, because his questions have not been dealt with seriously by the government in the House of Commons.

● (1600)

I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the lack of responsiveness of members of the ministry to questions placed on the order paper within a reasonable period—

For the purposes of this motion I will state nine months as being reasonable.

—constitutes a breach of the privileges of this House, and that this failure should be sent at once to the Standing Committee on Privileges and Elections to determine whether there is a deliberate decision not to reply.

In support of my motion I merely make this comment. Up to question 871 of October 29, presented by the hon. member for South Shore (Mr. Crouse), that all falls within the nine-month period that I suggest is a reasonable period. There are pages and pages to support my motion that we should become an open parliament and should have freedom of information.

Mr. Brisco: Mr. Speaker, this is the third time in recent months that I have risen on the same point of order with reference to question No. 506 which was placed on the order paper on October 14. The last time I raised this question I received the personal assurance of the parliamentary secretary that he would look into this matter and that I would, indeed, receive a response. I have heard nothing from him since then. I very much resent the fact that I have not had a reply to that question which until now I had assumed was an innocent and innocuous one. I now gather that there is more beneath the surface than meets the eye in relation to the question that I posed. I again draw this most forcibly to the attention of the parliamentary secretary and you, sir.

Mr. Cossitt: Mr. Speaker, I rise to add just a brief comment to the question of privilege raised a moment ago by the hon. member for Halifax-East Hants (Mr. McCleave). At approximately 2.30 this afternoon my office received a communication from a high-ranking member of the public service. I have since checked out, by telephone, this person's identity and the information left at my office. I find it, beyond any doubt in my mind, to be authentic.

The information is that answers to questions Nos. 1196, 1197, 1198 and 1199 have been prepared for some considerable time, and that a stop order has been issued on the answers to these questions being placed before the House by the Prime Minister (Mr. Trudeau) and by the Minister of Supply and Services (Mr. Goyer).

I feel I have the right to outline these questions. They all concern the constituency of Matane. They ask for information as to how many cabinet ministers visited that constituency over a set period of time; why they went there; how much public money was spent while there; who accompanied them, and why those people accompanied them.

It also asks for information with regard to cheques issued to the hon. member for Matane (Mr. De Bané), on his behalf, and paid for by the Department of Supply and Services. It also asks for information about payments on behalf of the hon. member for Matane when he was parliamentary secretary to the minister of state for urban affairs and when he was parliamentary secretary to the secretary of state for external affairs, including trips made and paid for by the government, people who accompanied him, and the whole gamut which I previously mentioned with regard to cabinet ministers. This is a very serious situation. It becomes very serious when a member of this House asks questions in all sincerity, requesting information about expenses of members of the cabinet or others, where the expenses seem to be grossly out of line. This is something taxpayers have a right to know about. It becomes a very serious matter when the government stonewalls the answers.

In the case of these particular questions, I realize it can be said as it is often said and quoted from the rules with regard to questions—that there is no obligation or necessity for a minister to answer questions. However, as I have said before, there is a moral obligation on a minister to answer a question from a member of this House, and, through a member of this House, to the people of Canada as a whole. That moral obligation is not being fulfilled, for reasons I can only interpret as political. The person who contacted my office this afternoon advised that the answers to the specific questions which I have named would be so politically damaging to the government that they would never be answered. In fact, that person stated that the stop order said they must die on the order paper in this session of parliament.

Some hon. Members: Oh, oh!

Mr. Cossitt: If that is so, and I believe it is so, parliament has seen this government sink to a new and dirty low. It is time the parliamentary secretary ceased to sit there and shake his head or rise to say that he will answer my questions, as he did a few weeks ago, when I become civil. That has nothing whatsoever to do with the matter. His personal opinion of me is no answer as to why he or the government should not be answering questions in this House. They are not being answered for obvious reasons.

The hon. member for Halifax-East Hants cited the general concept of what has gone unanswered on the part of a number

of members who have placed questions on the order paper. I mentioned certain specific ones of my own. Some of us are like voices crying in the wilderness when we rise day after day asking why these things go on. This government sits here, ministers joy-riding around the country on government aircraft, and will not tell us how much they are paying from government funds. That is another set of questions that I have. The Minister of Transport (Mr. Lang) apparently thought he made a fatal error in answering one of my questions by stating that he had spent three quarters of a million dollars on his own behalf. Why can we not know what all the other ministers have spent of taxpayers' funds, riding around on government aircraft such as Jetstars?

I placed another question on the order paper with regard to the Minister of Transport. I can get its number, if the parliamentary secretary wants me to look it up. Last November, over "Cross-Country Check Up", the Minister of Transport was asked by a telephone caller why shortly after his arrival on a Jetstar at Saskatoon airport another Jetstar arrived with five female passengers. The caller asked who were they and what they were doing on a government aircraft. The minister undertook, over CBC radio, to tell that listener that he would investigate, find out and give that as soon as possible. That was last November. It is now June. That is not "as soon as possible".

I also have a similar question on the order paper as to why private individuals should be tooting around the country on government aircraft. Who are they? Who gave them permission? What were they doing? The Minister of Transport sits idle, says and does nothing, as do most other ministers on the front benches. I know that one cabinet minister prepared an answer with regard to his personal travel and handed it in. It is being held up because other ministers refuse to prepare theirs. This is a disgrace.

I have no more to say other than I fully support the point raised by the hon. member for Halifax-East Hants, seconded by the hon. member for Victoria (Mr. McKinnon). It is time this House was turned into what it should be—a place where the people of Canada can get information and where this government can no longer conduct a farce instead of a government.

Mr. McKinnon: Mr. Speaker, I will be brief on this. I seconded this motion because I agree entirely with it. The part that puzzles me is why the questions are left unanswered. For example, on February 8 I asked question No. 1772. It asked for the names and addresses of all lawyers and law firms in the constituency of Victoria who performed services during 1975 and 1976 for the Canadian Radio-Television Commission and, in each case, what was the total amount paid to them. I had on the order paper 15 or 20 similar questions dealing with Crown agencies. Every other one has been answered. It makes me suspicious that something funny has been going on with the CRTC in that area. Surely, it is just as easy to get an answer from the CRTC as from any other agency of government. The government was able to answer all the others, and to do so in prompt fashion.

I have another question, No. 1915, which should have gone to the Minister of National Defence (Mr. Danson). It was asked over four months ago. It is a very simple question. The minister announced in one of his press releases that he would be making certain changes with regard to the closing of bases. He said they were going to dispose of 1107 Avenue Road, Toronto. My question was:

> What is the target date for closing or disposing of 1107 Avenue Road, Toronto, Ontario?

Four months later there is still no answer. I would even accept the answer that they do not know, or that they do not have a target date. However, for the question to be left on the order paper as if it were of no consequence is certainly not satisfactory to me. I am forced to the conclusion, Mr. Speaker, that this government is too incompetent to be mendacious in an orderly fashion.

● (1610)

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Now that we are having this little session of raising points with respect to questions, I suggest that some very important questions remain unanswered. I cannot understand why. I have one particular example, a question I asked, which has been on the order paper since October 13, seeking information relating to our penal system and inmates in Canada with respect to indefinite sentences, dangerous sexual offenders, habitual offenders, and the number on parole. This can hardly be considered as political; it involves factual information which the government should have at its disposal.

Many people are interested in statistics of this kind. I would not object to a reasonable period of time elapsing before questions are answered, but this question cries out for an answer and I ask the parliamentary secretary to use his good offices to see that it is answered without further delay. The number is 487.

Mr. Speaker: Order, please. We are departing from the original argument, which is part of the cause for the procedural difficulty we are in. The original motion was under the heading of privilege by the member for Halifax-East Hants (Mr. McCleave). I am sure he will realize, along with the hon. member for Victoria (Mr. McKinnon) who seconded the motion, and the other hon. members who supported it, that the comments of the hon. member for Leeds (Mr. Cossitt) were accurate when he said in the course of his contribution that of course there is no legal or technical obligation, under the rules—or whatever the language was—and no specific obligation on the ministry to give answers under our rules, as is well known; but there is a moral obligation.

That was the basis of the argument put forward by the hon. member for Leeds. That may be so, and that has been the subject of discussion today. It is the subject of discussion almost every day when questions are answered. But each day when questions are answered, of course, a number of questions are not answered. They become the subject of attention and discussion each day the parliamentary secretary does that.

However, that has always been part of our practice, and that was basically what was being done a moment ago by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

The House will realize, I am sure, that since there is no obligation on the ministry to make answers under our Standing Orders, it would not be possible for the Chair to find that the failure to give answers either to one set of questions or to one member would in any way constitute a breach of privilege. As to determining whether or not the failure to answer questions is a deliberate decision not to reply, I would have grave difficulty, even if I knew it was a deliberate decision not to reply, to constitute that as a question of privilege; because since there is no obligation to reply, it can hardly be called a breach of privilege or a breach of the rules in any way to fail to reply. Whether that be deliberate, or whether it be negligent, whether intentional or unintentional, since the rules do not require a reply, I cannot find the basis for a question of privilege in failure to reply. Therefore, with regret, I set aside the matter of privilege.

It still remains, as was done a moment ago as part of our regular practice, that each day when the question is put as to whether or not the remaining questions should be allowed to stand, members contribute any grievances they have respecting questions which are outstanding. So long as that intervention is in good faith and makes reference to questions which have, indeed, been outstanding for some time, the Chair has never interrupted.

Mr. Goodale: Mr. Speaker, I do not wish to prolong the point, because you have already disposed of it as a question of privilege. However, I was going to make the point Your Honour has just made in dealing with it procedurally. But to deal with the substance of the issue which was raised, quite apart from the procedural question, may I say that the government does, of course, take very seriously all questions which appear on the order paper.

An hon. Member: Oh, oh!

Mr. Goodale: I have noted the representations which have been made today in a serious fashion, although some of the gratuitous explanations surrounding them might not be all that well taken. I do take the points that hon. members have made as a clear indication of their desire in good faith to secure information. A few days ago, on a similar point of order, I replied at some length about the answering of questions which appear on the order paper. I do not intend to repeat all that argument today. It served, I think, to illustrate the magnitude of the task which has to be done in answering 2,823 questions which appear on the order paper as of today's date. I can only add at this point—this may be of some reassurance to members—that it is still my intention to proceed to answer all questions which appear on the order paper before the end of this session.

I will take particular note of the specific questions referred to today and see if there are ways to expedite those items in particular since they are of interest and concern to members. I trust they will believe in the good faith which exists on this side, just as I believe in theirs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I, on behalf of my colleague from Winnipeg North, draw attention to six questions, four of which were filed on October 12, 1976, and two of which were filed on October 13, 1976? I am sure the parliamentary secretary realizes that to be told that hundreds of questions have been answered is no answer to its taking more than eight months to answer these questions. I have looked at them and I can understand it taking a month or so, but not eight months.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Mr. Coates: Mr. Speaker, there is just one point I would like to make. What concerns me, sir, is some of the remarks you have made which I think are proper. I do not argue that under the rules we have now, there is no obligation on the part of the government to answer questions, except for the fact that we have two forms of questions. We have those questions that are put in the question period in an oral way. Then we have written questions which the table is very careful to make certain are factual questions, seeking only information. There is a very significant gap between—

Mr. Speaker: Order, please. If the hon. member has a complaint about a specific question, I am quite prepared to have him make it. I was not aware he had risen to make a contribution to the question of privilege.

Mr. Coates: I have some specific complaints to make, but I want to get down to the fact that every question here—and I have quite a number which are eight or nine months old—is the result of members working quite a long time to prepare and seek information of a factual nature. I do not think the excuse is good enough that there are 2,800 questions left on the order paper which are unanswered. If there were 2,800 questions on the order paper, put there last week and not answered, I would say that was all right. But some questions I have on the order paper are nine or ten months old. As the hon. member for Leeds (Mr. Cossitt) said, it is quite obvious that he is being discriminated against. There can be no other conclusion reached, because almost all the questions first put on the order paper were his questions. The government has determined that his questions are not to be answered. That is a breach of his personal privileges as a member of this House—

An hon. Member: That is not true.

• (1620)

Mr. Coates: There are no two ways about it. The fact of the matter is that questions which have been on the order paper for ten months or more have not been answered. The hon. member cannot be singled out, no matter whether it is information which is damaging to the government or otherwise. He is asking for factual information, and that is his right.

Mr. McKinnon: Mr. Speaker, I rise on a point of order, further to the remarks made by the hon. parliamentary secretary. I am sure he would not want unintentionally to mislead the House or the country concerning the number of questions outstanding. The top question is No. 2823. He fails to take into account that all questions which have been answered have to be subtracted from that number to arrive at the number outstanding. There may be 400, 500 or 600 left to be answered. There are certainly not 2,800 left to be answered.

Mr. Speaker: Order, please. I understood the parliamentary secretary to be referring to the number of questions he was attempting to answer, and not the ones outstanding.

Mr. Goodale: Mr. Speaker, I was referring to the total number of questions which have been asked in this session. I am glad my hon. friend has drawn attention to the fact that we have done rather well in answering questions, in that more than 70 per cent have been answered.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Pursuant to the revised practices of this month, it is my duty to inform the House that the questions to be raised at six o'clock this afternoon are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—Canadian International Development Agency—Request for names of countries which allegedly do not honour their commitments—Attitude toward aid to Indonesia; the hon. member for Provencher (Mr. Epp)—Immigration—Request for minister's permit for the Rae family.

GOVERNMENT ORDERS

[*English*]

AUDITOR GENERAL ACT

MEASURE RESPECTING OFFICE OF AUDITOR GENERAL

The House proceeded to the consideration of Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto, as reported (with amendments) from the Standing Committee on Public Accounts.

[Mr. Coates.]

Mr. Speaker: There are seven report stage motions for which notice has been pursuant to Standing Order 75. On a very cursory examination of them, the Chair has serious misgivings about the first four. In my view, motions Nos. 1, 2 and 4 are related motions, in the name of the hon. member for Winnipeg North (Mr. Orlikow), and motion No. 3 in the name of the hon. member for Peace River (Mr. Baldwin). Upon my initial examination of them, the motions introduce a rather new proposal which goes beyond the scope of the clause of the bill which is sought to be amended by the motion.

I am prepared to hear argument from hon. members who are putting these motions forward at this time, which I will take under reserve. Then the House might want to proceed with consideration of motions Nos. 5, 6 and 7, if that is agreeable.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have already indicated to the government that my colleague, the hon. member for Winnipeg North (Mr. Orlikow), will not be here for another hour or so. I requested that discussion of the motions in his name, Nos. 1, 2 and 4, be deferred until a little later. I wonder if I could modify that request and ask that the discussion on the procedural aspects of motions Nos. 1, 2 and 4 be delayed until my hon. friend arrives from Winnipeg, as he will in an hour or so.

Mr. Goodale: Mr. Speaker, as the hon. member for Winnipeg North Centre (Mr. Knowles) has just indicated, there were discussions earlier about how we might accommodate the hon. member for Winnipeg North (Mr. Orlikow). It is certainly agreeable to the government if the items of business with which he is concerned could be stood aside until he arrives. Perhaps we could deal with other items in the meantime.

Mr. Speaker: That would leave us with some discussion on the procedural regularity of motion No. 3 in the name of the hon. member for Peace River. If the hon. member is prepared to do so, I might hear that argument now. Then the House could move to the discussion of motions Nos. 5, 6 and 7 until we receive some indication as to when the hon. member for Winnipeg North (Mr. Orlikow) is prepared to defend the procedural aspects of his motions.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 3.

That Bill C-20, an act respecting the office of the Auditor General of Canada and matters related or incidental thereto, be amended by inserting immediately after clause 8 the following:

"8.1(1) The House of Commons shall establish a committee to be styled the "Committee on Public Accounts" at the commencement of the first session of each parliament or within thirty sitting days thereafter.

(2) The committee shall be composed of nineteen members of the House of Commons appointed in accordance with the custom of the House and shall, except as otherwise provided in this section, have the same powers and be subject to the same rules as a standing committee of the House of Commons.

(3) The chairman of the committee shall be elected from among members who are in opposition to the government.

(4) Every report of the Auditor General made pursuant to this act and every report of the Receiver General, called the public accounts, laid before the House of Commons pursuant to the *Financial Administration Act* stands

permanently referred to the committee, and the committee may, on its own initiative, consider any evidence heard or tabled before it in a previous session or a previous parliament.

(5) The committee shall

(a) examine every report of the Auditor General or Receiver General made to the House of Commons,

(b) enquire into any matter referred to it by the House that relates to the report, and

(c) make recommendations on anything in the report that, in the opinion of the committee, requires the attention of the House of Commons.

(6) Notwithstanding any act, rule of law, custom or prerogative, every person who is competent and compellable under the *Canada Evidence Act* to testify in a court of law is a competent and compellable witness before the committee, and the committee may deal summarily with any contempt committed before it in the same manner and to the same extent as the House of Commons.

(7) Every person required to give evidence before the committee may invoke the protection of the *Canada Evidence Act* in the same manner and to the same extent as a person required to testify in a court of law.

(8) For greater certainty, in this section, "person" includes an employee of the Public Service of Canada."

He said: Mr. Speaker, there are one or two general observations I should like to make. For Your Honour's information, motion No. 3 simply seeks to set out in detail what is left silent in the act itself. Clauses 7 and 8 of the bill provide for the Auditor General to report annually to the House of Commons on the work of his office and whether, on carrying out the work of his office, he received all the information and explanations required. In addition, clause 8 refers to a special report being made by the Auditor General to the House of Commons. The bill stops there and, as hon. members opposite will argue, we are then driven back to the normal procedure which has existed heretofore. It is a normal procedure which has not worked.

I think the Chair can take judicial notice of the length of time which has elapsed on so many occasions between the reference by the Auditor General to the House, through the intervention of the Minister of Finance, of his annual or special reports and the time spent before those reports actually arrive for consideration by the public accounts committee. The time-span is so lengthy for hon. members to secure that desirable objection that it was thought there should be some detail spelled out in the legislation which would rectify this glaring omission. It is an obvious and intentional government omission as to how the report gets into the public accounts committee. I have sought to do this by the establishment of a statutory committee. I realize that appalls hon. members opposite because it has never been done before. I have heard the argument that we should not do things which have not had the approval or sanction of tradition in the House. If we ever get into the substance of it, that will be the argument made.

If Your Honour examines with care what clause 7 does, you will see it is a provision for reference to the House of Commons. I can see nothing inconsistent in that. I will make my argument brief because it is one which does not lend itself to longevity. It is an argument which will or will not be accepted by the Chair.

The way in which the report gets from the House to the committee is what I am trying to achieve by this amendment. I should hardly think it can be argued that that is not germane to the provisions of clause 7. The report comes to the House, and my amendment takes it a step further by saying, having come to the House, this is what we should do with it. It is not opposed to the provisions of the bill and it is not divergent from them merely because it has not been covered by the bill.

The government is not anxious to see anything in the legislation which would provide for some authority in the House to get the report into the hands of the committee as soon as possible. Because it is not intended by the government is no reason to argue that it is a principle which is divergent and different from that which is in the bill. Therefore, to hold that this amendment is inapplicable and out of order is to hold that it is impossible for members of this House, when the government introduces a bill, to set out in more detail the means by which the purpose of the bill can be achieved.

● (1630)

The purpose of this particular aspect of the legislation is to obtain means by which this House can most adequately deal with reports of the Auditor General. Rather than leaving them to be discussed and dealt with by the House, for the reasons which I have mentioned—the laborious way in which the government in the past has attempted to prevent this from taking place at a reasonable time—I have said we should set out in detail an extension of the principle of bringing the reports to the House to cover the manner by which they reach committee.

I do not think there is anything in that which offends the House rules. We have in the Statutory Instruments Act a provision which gives to a scrutiny committee the right to examine statutory instruments and provides that there shall be a permanent reference of statutory instruments, which are defined in that act, to this committee, which can be, under the terms of the Statutory Instruments Act, either a committee of the House or a joint committee of the House and the Senate. As Your Honour knows, we decided in our wisdom, coupled with the wisdom of the other place—which together constitutes a mighty torrent of wisdom—that we should refer these matters to a standing joint committee.

That is a precedent whereby in a bill there was a means established by which statutory instruments which were the subject matter of the bill were referred for discussion, consideration and report to a committee of parliament. While it is true that I have sought to go into more detail on how this should be done, the principle is on all fours with the principles in the Statutory Instruments Act. The reason I sought to do this in more detail was the very considerable problem this joint standing committee ran into in its attempt to set up ways and means by which it could fulfil its responsibilities. I think we had a very long period of gestation, almost two years, from the time it was thought advisable to have this committee established until it first started to function. I have sought to rectify that omission by providing in my amendment how this should be done.

I am simply trying to extend in some detail the means by which the House, having received a report from the Auditor General, then proceeds to deal with it. Second, this is not without precedent. Similar measures have been adopted with respect to other legislation. I suggest to Your Honour that while it may be appalling to members of the House because it is an innovation, if there is a reservation in Your Honour's mind as to the bona fide nature and regularity of this proposal, I think Your Honour should take this well known principle into account and give the benefit of the doubt to the regularity of the motion so that it can be debated.

I am not saying that at this time in order to persuade the government to accept it. The only alternative is that at third reading I would, of course, be free to make a motion to refer the bill back to committee for consideration, without specifying anything. The committee could deal with an issue of this kind. The difference is that I could have 40 minutes instead of 20 at that time, which is, of course, to my advantage. I do not know whether it would be to the advantage of the House, but I can advise the House that it can look forward to a 40-minute speech from me at third reading rather than a 20-minute speech at this time.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I hope what the hon. member for Peace River (Mr. Baldwin) and I have to say meets the point of potential difficulty Your Honour might have. To my mind, the question is whether this amendment introduces a new principle to the bill. The plain and simple answer to that is that the amendment is merely a continuation of a point on which the bill is totally deficient. After all, clauses 6, 7 and 8 would refer reports to the House of Commons. Clause 7 says that the Auditor General shall report annually to the House of Commons, but it says nothing about what the House of Commons shall do.

These are reports to the House of Commons, not to the government, yet it is a well known fact that under the rules there has to be a motion from the cabinet to refer an item to any committee of this House, with the exception of the estimates. Therefore, the fact that the Auditor General is responsible to the House of Commons with regard to his annual reports can be totally and utterly blocked by the government by its refusal to call that order of business or by its refusal even to put it down. Therefore, it seems to me that the motion of the hon. member for Peace River is the most natural thing to include in the bill in order to dispose of these reports.

Our rules are totally sound. The Chair would be the first to admit that despite the almost weekly requests that the Standing Committee on Procedure and Organization consider this or that aspect of difficulties in the rules, it is still the government House leader and the government who refuse to put forward motions to refer to appropriate committees. All the committees have been boning-up until now, save and except the Standing Committee on Procedure and Organization. It had its organizational meeting, but since that time it has done nothing. I think that has been an act of total contempt of this House by the government House leader.

[Mr. Baldwin.]

Considering the representations which have come from the Chair and from various members, it seems all agree that changes have to be made. However, nothing is done about it. To that extent, proposed motion No. 3 is quite in order and does not introduce a new principle in the bill, because all it sets out is what the House of Commons shall do with the report. In order to handle the report, there has to be a committee. The House is not going to consider the report of the Auditor General in committee of the whole, because with the exception of budgetary measures the House does not sit in committee of the whole unless there is specific agreement to do so. I find it just a little difficult to understand why there might be any objection to motion No. 3 on the ground that it might raise another point.

Second, in most ways motion No. 3 embodies what is already a matter of practice, but it puts it down. I admit that I might have preferred seeing a good deal of what appears in motion No. 3 in a special section of our rules dealing with committees, but the point is that there are two avenues to go down, and the government has chosen neither. As will be remembered, when the bill setting up the committee to deal with statutory instruments was dealt with the procedure had to be spelled out in the bill, but under our rules it is totally deficient. The same could be said about certain tax convention bills where, due again to a refusal by the government House leader to refer matters to the Standing Committee on Procedure and Organization, the appropriate changes have not been made in the rules with regard to affirmative and negative resolutions.

Unless Your Honour is able to indicate to me a particular point he may have as the objection, it is a little bit, shall we say, like punching a pillow to have to consider it in advance. It always seems that the proposers of motions have to prove themselves innocent as far as their motions are concerned. If you, Mr. Speaker, could enlighten us as to what is concerning you with regard to this motion, then perhaps we could discuss that point.

● (1640)

Mr. Speaker: The hon. member will, I am sure, be aware, because he addressed himself to the point very directly, as to whether or not the amendment goes beyond the scope of the clause which it seeks to amend and in fact introduces a new principle into the legislation. The hon. member addressed himself to the point rather ably, I thought. That is the concern the Chair has expressed in procedural terms, and I will have to give careful consideration and examination to the proposed amendment and will endeavour to return to the chair as soon as I have an indication that the hon. member for Winnipeg North (Mr. Orlikow) is here to make an argument with respect to his other motions.

Mr. Lambert (Edmonton West): Now that you have indicated, Mr. Speaker, the point that concerns you—

Mr. Speaker: I identified that point when I spoke on the motion of hon. member for Peace River (Mr. Baldwin).

Mr. Lambert (Edmonton West): I do not understand, Mr. Speaker. When I asked a question of you, Mr. Speaker, you intimated that I was on that particular point. I wanted to add that it was simply that the recommendation in the bill is not a great recital, and that if one is not on the list of the elected, one must consider oneself to be non-elected. It states:

—and for the purposes set out in a measure entitled "an act respecting the office of the Auditor General of Canada and matters related or incidental thereto".

The field is wide open.

Mr. Speaker: Of course, there are some major concerns about new concepts being introduced into the statutory law, not only of this act but those which affect other statutes. In any case, I will have to examine them carefully and return to the House as soon as I can. This leaves us with motions Nos. 5, 6 and 7 for consideration. Motion No. 5 is in the name of the hon. member for Peace River (Mr. Baldwin). Perhaps the House might want to consider it at this time.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I must admit right away—and I hope Your Honour will take judicial notice of this—that when I believe I am wrong, I always say so; but when I do not admit I am wrong, there is a fair presumption that I may be right. Clause 11 of the bill reads:

The Auditor General may, if in his opinion such an assignment does not interfere with his primary responsibilities, whenever the governor in council so requests, enquire into—

At the committee stage I had two amendments. One read, "whenever the governor in council or the House of Commons so requests". Then I proceeded to follow that with motion No. 5, which stated:

"(2) Notice by the House of Commons under this section shall be deemed to be given when not less than 50 members have filed a request with the Speaker to the effect that the Auditor General enquire into and report on a matter"

It is quite obvious that without the first part of the motion, the rest is meaningless. In other words, if there is no reference to the House of Commons inserted in subclause (1) of clause 11 that the House of Commons, as well as the governor in council, has the right to make a request if in its infinite wisdom it thinks it is necessary that the Auditor General should make an inquiry, the rest of the motion is meaningless.

I am, of course, in the hands of my friends and enemies—I do not know where they sit on either side of the House—but without the first part of the amendment, which got lost in the woodwork between the committee and here, it is useless for me to proceed with motion No. 5. I simply ask Your Honour to ask for the consent of the House and of the minister to have this issue brought forth and discussed, because it would take the unanimous consent of the House for me to be able to move, at this stage, the first part of the change in the clause, namely, that the House of Commons, as well as the governor in council, should have the right to make this request of the Auditor General.

Mr. Speaker: Do I understand the hon. member to say that the amendment was put forward in the committee, but was lost?

Mr. Baldwin: No, I was away and it did not come forward here. I brought forward 11 or 12 amendments in the committee. This is one which was part of the other clause, but was not carried.

Mr. Knowles (Winnipeg North Centre): I gather, Mr. Speaker, that the hon. member is saying that by oversight subclause (1) has been omitted from what is now before us. That being the case, I certainly hope the House will consent to the hon. member presenting his motion in the form he wanted to present it, that is, including a subclause (1).

Mr. Speaker: I wonder if there might possibly be some consultation on that point. Clearly, the procedures of the report stage allow an hon. member to restore before the House motions that might have been put forward in the committee. Evidently, what has happened here is that the hon. member has put forward the substance of his motion without consequential aspects which give the sense and meaning intended in the amendment he proposed before the committee. In the circumstances, in order to give the hon. member permission at this stage to change the text of his amendment to restore its full meaning, the consent of the House would have to be given. Does the hon. member have the consent of the House to do that?

Some hon. Members: Agreed.

Mr. Baldwin: May I read my amendment? I move:

That in the fourth line of clause 11 at page 5 of the bill, after the words "governor in council" the words "or the House of Commons" be added.

Let me point out, Mr. Speaker, that with due respect I put the words "House of Commons" after governor in council, where it belongs.

Mr. Speaker: It is understood that the text of the motion of the hon. member will have to be amended in order to give a proper description to his intention. But for the purpose of this discussion the House can assume that this will be done, and when the question is put the amendment will include language which will achieve the objective of inserting in line 4 of clause 11 on page 5 of the bill, after the word "council", the words "or the House of Commons", and that the rest of the subclause will continue; and that the same amendment moved by the hon. member as motion no. 5 will add subclause (2) to clause 11 as stated in motion No. 5. Is it the pleasure of the House to adopt the said motion?

Mr. Baldwin: I see I carried the government as far as I can. Now I will have to work a little harder to persuade them to adopt my motion. Mr. Speaker, I want to call attention to the present effect of clause 11, which reads as follows:

● (1650)

The Auditor General may, if in his opinion such an assignment does not interfere with his primary responsibilities, whenever the governor in council so requests, inquire into and report on any matter relating to the financial affairs of Canada or to public property or inquire into and report on any person or organization that has received financial aid from the government of Canada or in respect of which financial aid from the government of Canada is sought.

This is a very desirable objective, but it leaves open what we have often discovered in this House in the course of the question period or parliamentary proceedings, when matters have been brought to the attention of hon. members, that demonstrate there is a state of affairs which justifies some immediate inquiry. The problem with most auditors general reports is that they are of a post-mortem nature: it is usually after the patient is dead and a fairly substantial odour is coming from the corpse that the auditor general is called upon to conduct a post-mortem examination and make a report. That is proper; that is essential; that is a condition precedent for any proper parliamentary examination. There are many occasions, however, when if something were brought to our attention by the Auditor General at the time it might prevent the loss of a very large sum of money—or even a very small sum of money—with important principles involved.

This government has rapidly increased its expenditures from $14 billion to $46 billion in a very few years. It has had a burgeoning bureaucracy to help with the spending and misspending of this money. In the result, sometimes situations come to the attention of members or their constituents, or even to members of the government, which require immediate attention. There is no doubt that is the reason for clause 11. The government may well discover something which in its opinion justifies immediate examination, so clause 11 was included in the bill.

I simply ask the reason for prohibiting the House of Commons from doing the same thing. We are the forum which has responsibility to the people for the expenditure of this $46 billion. Personally, I have been frustrated on many occasions when issues have come up or circumstances have arisen and it has become apparent there is an immediate need for the auditor general to make a study. In the public accounts committee we are still engaged in the study of some issues involving Crown agencies. Questions have been asked in this House, and proposals made in committee, to the effect that the Auditor General would be justified in engaging in an immediate examination rather than waiting until the accounts of this fiscal year come under the examination of his officers, which might be a year or a year and a half from now—much too late. The very fact that this clause was included is a tacit recognition by the government that there may well be a situation when it is necessary that an immediate examination be made, rather than waiting until the usual audit is completed. It is with this situation in mind that I make this suggestion.

I go a step further, Mr. Speaker, and suggest that because of the problems faced by this House, and particularly the opposition, in so many instances in securing the adoption of suggestions, there should be a current, rather than a post-examination of a certain situation. But the government simply says no. All that can be done, then, is for a member to put a private member's motion on the order paper. It usually sinks to the bottom of the pile; but even if it were at the top, under the rules of this House there is probably one chance in a thousand that it would ever come to a vote. It seems to me if the right is to be given to the House of Commons to initiate an immediate study, that right should be based on a simple and expeditious motion by which the House could get a motion passed and have the auditor general seized with jurisdiction to make the examination. I have taken the figure of 50 members. In doing so, I regret it would not permit my hon. friends to my left in the New Democratic Party to be involved; but I am sure if we in this party saw that members of the NDP or the Social Credit party had become aware of a situation which cried out for examination, we would be glad to lend enough support to ensure that the desired number would be achieved.

I see my hon. friend, the hon. member for Winnipeg North Centre (Mr. Knowles), looking at me sympathetically. He knows I mean that. For that reason, Mr. Speaker, I offered this amendment saying, in effect, that if the governor in council can initiate a current investigation, why cannot we? And if we should have the right, why cannot we have the right to perfect it in a way that we expect it would be done, rather than go through the useless mechanism of requesting that a royal commission be established or that the auditor general be required to make a study?

I suggest my amendment in no way interferes with the government's right to make such a request. I hope when the President of the Treasury Board (Mr. Andras) responds, he will tell us why the government does not trust the House of Commons to initiate the kind of request for examination which the government has allocated to itself.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I think the hon. member for Peace River (Mr. Baldwin) will not be surprised when I tell him I cannot bring myself to accept his proposal although we have studied it for some time now and listened to arguments put forward by the hon. member in committee. We are not recommending adoption. I can certainly understand that from time to time the House of Commons would want matters to be referred expeditiously to the auditor general.

In view of the pressures that can be brought to bear in this chamber, however, and of the publicity, the concern—I will not use the definition that the hon. member did about the corpse and all that—there has been ample illustration over the years of the ability of this House to make that kind of suggestion and get it through. Matters can be raised under Standing Order 43 and many other avenues by hon. members can be followed and pressure can be brought to bear that way. I am afraid, however, that if it were as automatic as the amendment would seek, then the auditor general would be drawn into political matters very quickly, on many occasions. That would be regrettable. I think the Auditor General indicated in committee that he would be apprehensive about such a proposition. He would not look with favour on it, and I am almost quoting what he said before the committee.

● (1700)

Regrettably, we could not look with favour on this proposal. I might mention that we discussed 38 amendments in committee, which were consolidated into 21 amendments since some of them were variations and repetitions of other amendments.

Of those 21, I think we accepted 12 or 13. Regrettably, we were not convinced at the time that it would be wise to accept the hon. member's proposal. That explains our present position.

Mr. Baldwin: Mr. Speaker, may I ask the minister a question? He was gracious enough to leave lots of time for a question. He suggested that the Auditor General and the government were afraid that this simple and expeditious procedure might lead to issues of a political nature being raised in the House of Commons. Will the minister guarantee that when the government raises issues for the Auditor General to consider, they will not be of a political nature?

Mr. Andras: Mr. Speaker, I think it is a matter of degree. I certainly feel that we should be referring matters of a serious nature; they could have political implications.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the stand the minister has taken is characteristic of the attitude of the Canadian ministry and stands in sharp contrast to the attitude in Westminster, if I may use that as an example. In considering legislation over there, ministers are much more conciliatory and more attuned to accepting amendments proposed either by the opposition or by government backbenchers. They are not afflicted with the "not invented here" syndrome with which Canadian bureaucrats advising ministers are afflicted.

As most of us know—and I know, for I have served on many committees, particularly this year—when our ministers deal with legislation and a member proposes an amendment, they will say, "No, we cannot accept it. We sympathize, oh, yes." There is no suggestion in the committee meeting of outright rejection. It is almost like our private members' hour. Beneath all the flowers, partial agreement, sympathy, and what have you, there is that absolute "No." That is, shall we say, one of the less admirable features of our Canadian cabinet system. The Canadian cabinet, without doubt, has established a dominance over the House. But it fails to recognize that the administration behind it has established a dominance over the cabinet. Some officials advise cabinet ministers not to accept amendments of this sort—"Oh, they might cause problems. We never thought of them; therefore they cannot be that good." That is the unfortunate psychosis, shall we say, or mental condition which afflicts those on the government side in the consideration of amendments emanating from the opposition or even from the government's own backbenchers.

The minister has already closed his mind. I was going to argue in support of my friend, but I already have the answer—"No." Therefore, I shall leave the House, speculating only on how the minister would have argued. Surely, hon. members know that the hon. member for Peace River (Mr. Baldwin) wants to strike a blow on behalf of members of the House of Commons. I am astonished at the sheep-like, absolutely "blah" attitude of government backbenchers who do not realize their own throats are being cut. I was going to use another phrase. They do not realize they are being totally neutered by cabinet action. They will not be able to call in question anything the cabinet does in this regard. No doubt the governor in council could ask for a report, but the amendment says that when 50 members file a request, the auditor general shall look into it and report on the matter.

Those 50 members could include members on both sides of you, Mr. Speaker, and the inquiry could be on questions about which this House is greatly concerned. Frankly, I am disturbed by the minister's refusal to accept this amendment, which is an entirely reasonable one. It is the sort of thing with respect to which I have heard government backbenchers saying privately, "I wish the ministers would bend their stiff necks." They want members of the House to have some say in the administration of this question, or the discharge of their duties as individual members, instead of being mere rubber-stamps or nay-sayers at the cabinet's behest.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 5 in the name of the hon. member for Peace River (Mr. Baldwin). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Accordingly, the vote on the motion stands deferred. The House will now consider motion No. 6.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 6.

That Bill C-20, an act respecting the office of the Auditor General of Canada and matters related or incidental thereto, be amended in clause 14

(a) by striking out line 11 at page 6 and substituting the following therefor:

"corporation, which, along with the financial statements of the corporation or its subsidiary, shall be provided to the Auditor General forthwith upon their receipt by the corporation or its subsidiary.";

(b) by striking out line 12 at page 6 and substituting the following therefor:

"(2) the Auditor General shall request a";

(c) by striking out lines 25 and 26 at page 6 and substituting the following therefor:

"explanations, he shall so advise the governor in council, who shall thereupon direct the."

He said: Mr. Speaker, the perspicacity of the hon. member for Edmonton West (Mr. Lambert) pleases me, because he knows exactly what rights I have attempted to secure for the people of Canada through the agency of this House. This bill, so far as the auditor general is concerned, represents an improvement over the Financial Administration Act under which the auditor general is operating. The auditor general is to be governed by the auditor general legislation and he is to be given some help for discharging his duties. However, this

bill does nothing for the House of Commons. I somehow have the old-fashioned idea that the House of Commons exists as a place in which hon. members representing some 23 million people and a large number of taxpayers can examine with care and in different ways exactly how the money provided by the taxpayers of Canada is used.

● (1710)

As I said a while ago, we have just been through, and are still engaged in, an exercise where the public accounts committee is struggling desperately under the antiquated rules inflicted upon it to try and find some information about the CANDU sales and Polysar. There has been a massive lack of success. It is not that members of all parties in this committee have not been struggling diligently and honestly in trying to secure that information. However, it is being denied them. That is one of the reasons the first amendment I proposed, which is now under consideration by Mr. Speaker, sought to provide for a more fundamental way of securing information. As the hon. member for Edmonton West said, information is the thing which this House is continually denied.

Earlier this afternoon, when dealing with a question of privilege, there was a very sharp observation. I regard it as a judicial statement, namely, that there is no responsibility on the part of the government to provide information. There is no truer statement. I have been out of this House for the past few days. Other interesting phenomena have been carried on here. Members of this party and the New Democratic Party have been trying to find out information. When I saw one of my constituents not long ago, he said to me, "Jed, are you going back there to find out from the Prime Minister (Mr. Trudeau) and the Minister of Supply and Services (Mr. Goyer) why they are not going to give us some of the facts?"

I told my constituent that under the rules which prevail in this House, when a minister has made a statement the members of the House are compelled to accept that statement. My friend said, "That is a very silly rule. Fortunately, I am not bound by it. I have a very healthy skepticism with regard to what the Prime Minister and the Minister of Supply and Services said. I am glad I do not have to abide by the rules and accept what has been said in the House by the right hon. gentleman and the hon. gentleman." I think he had a point. Being a member of the House, while in the House I am bound to accept it, although my constituent had a very sensible and healthy approach to which we in this House could possibly give some thought.

In any event, what I am seeking to do by this amendment is change clause 14 so that the public accounts committee will no longer be frustrated by the problems which they have faced and are still facing in their diligent and difficult attempt to come to grips with the scandal of CANDU and Polymer sales. It is obvious to many members of the committee that while some information may come out, there will be sufficient cover-ups. Outside a stroke of luck, it will be impossible for that committee to make the kind of report it should make so that we in this House, and through us the people of Canada, will know exactly what games are being played by some of these agencies.

One reason which inspired me to move motion No. 6 is that when reading through the transcript of the proceedings of the committee I discovered there was utter contempt shown by the witnesses appearing before the committee for the views, anxieties and members of the committee to dig information out of them. Any witness appearing in any court in which I have practiced adopting the same attitude as those witnesses would have gone to jail for contempt, as they should have. However, these people are free to go throughout the country. They have no obligation, no responsibility and no sanctions against them. The committee has not been able to get the information. Because the committee has not been able to get it, the House has not been able to get it and, therefore, the country has not been able to get it. On how many occasions will that be repeated?

The purpose behind my motion is to provide a compulsory responsibility on a Crown corporation or a subsidiary of a Crown corporation to ensure that the auditor general secures copies of reports and accounts; that the auditor general "shall"—not "may"—request a Crown corporation to furnish him with such further information as he requests. That is not the case at the present time. Finally, if he does not get it, he shall so advise the governor in council, who may direct the officers to furnish it.

If that sort of provision had been in the existing Financial Administration Act, the previous auditor general, Mr. Maxwell Henderson, and the present Auditor General would now have had, by compulsion, information which they were entitled to have, or someone would have gone to jail. That is the kind of power which should rest with the auditor general, and ultimately in us as his employer. He is our agent, our servant, although you would not know it from this bill. Consequently, at the appropriate time the knowledge of the auditor general would be the knowledge of this House. Affairs like CANDU and Polymer would no longer be permitted.

It is not just the presence of the act or provisions of this kind, but knowledge on the part of those who may well be wrongdoers, that there is a provision whereby information can be obtained. When there is that sort of provision contained in legislation, people who would contemplate doing wrong would be aware of it. Obviously, it would constitute a major deterrent. Without it, I see no reason why we could not have a repeat of the CANDU and Polymer affair running well into the future. It is in the hope that we can give to the people of Canada some belief that we mean business and will try and avoid a repetition of these incidents that I move this motion.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, once again we discussed this very thoroughly when we were dealing with the details in committee. I believe the effect of the proposed changes are twofold. First, the expansion of the information that is to be submitted to the auditor general is really a question of word meaning. There is no argument about the fact that he should have access to complete information from Crown corporations and the like. I

indicated then, as I indicate now before the House, that to add the word "corporation" along with the words "financial statements of the corporation", and so on, as contained in subclause (a) of the amendment of the hon. member for Peace River (Mr. Baldwin), is unnecessary. I am told by the profession and other people that it is really included. An auditor's report would include financial statements of the corporation, and so on. Therefore, the argument is that it is not necessary.

The other matter is more of a policy matter than simply wording. It seeks to make this a mandatory requirement on the part of the auditor general; that he shall do this, or shall do that. Indeed, one of the attempts that we made in the Auditor General Act as it is now before us was to retain and strengthen his independence. We have worded clause 14 so that he exercises his discretion. To change the word "may" to the word "shall" would remove his discretion and make it binding on him to do this. Indeed, I have to tell hon. members that having had this examined by the Wilson committee, and having discussed it with the Auditor General, he feels that if the word "shall" were imposed in the clause or section, it would tend to restrict his responsibility to exercise his professional judgment.

I doubt very much that there would be any suggestion, nor do I imply there would be a suggestion, that the auditor general would ever collude in not exercising his judgment to require this information if he felt there was, by his own professional examination, that necessity. Therefore, it is our preference to leave the wording as is in the bill before us, as it was before the committee. Indeed, we would regret the insertion of the detail in subclause (a) making it mandatory in the case of the auditor general.

● (1720)

Hon. Marcel Lambert (Edmonton West): Speaking to the amendment, may I say I share the views of my hon. friend from Peace River (Mr. Baldwin) about subparagraphs (a) and (c). I tend to agree with the minister that the auditor general is best protected as to his independence by giving him a choice to exercise his judgment as set out in paragraph (2). In paragraph (1) there is no mention of discretion on the part of the auditor general, but there is very definitely a greater power granted to him.

As I understand it, there have been recent cases where it has been held that the books and records of a subsidiary of a Crown corporation need not be produced. Perhaps my hon. friend from Northumberland-Durham (Mr. Lawrence) can confirm that statement. It was the experience of the public accounts committee that an objection on this ground was raised and sustained; a subsidiary need not supply to a Crown corporation or to the auditor general information which is sought. All that subparagraph (a) does is attempt to force the production of that information. It does not in any way inhibit the judgment of the auditor general.

I was extremely surprised to find the minister rejecting the amendment contained in subparagraph (a) of motion No. 6. It may be he does not understand it in the terms I do, but my hon. friend from Peace River was trying to close a loophole which had frustrated the public accounts committee under the chairmanship of my hon. friend from Northumberland-Durham.

The minister would be the first, I think, if he were ever to sit on the public accounts committee, to want what is contained in subparagraph (a). I would agree with him about subparagraph (b). As far as subparagraph (c) is concerned, I believe my hon. friend from Peace River is right on target, because notwithstanding the preservation of the independence of judgment of the auditor general under subparagraph (c), if he so advises the cabinet or the governor in council that he has failed to obtain, by reason of refusal or inaccessibility, records, documents, and so on, which he thinks he should have, there is still a loophole open: the governor in council may say, "Be a good boy and don't rock the boat. You should not have this information." I say this because final discretion is left with the governor in council. It completely saps the power and independent judgment of the auditor general.

There are in this case two discretionary powers, one following the other, and I would have thought that here, again, the President of the Treasury Board (Mr. Andras), in order to remedy the deficiencies which have appeared in the powers of the auditor general, would have greeted wholeheartedly subparagraphs (a) and (c). I would ask the minister to reconsider his views in light of the representations, especially if my hon. friend from Peace River is prepared, as I think he would be, to withdraw subparagraph (b). I make an earnest plea to the minister. What the amendments do is to plug, not a loophole but a hole in the wall through which one could drive a coach and four or, in more modern terms, a tandem truck. I ask the minister, and members on both sides, to support me in my contention with regard to motion No. 6.

Mr. Baldwin: On a point of order, Mr. Speaker, I am greatly touched by what my hon. friend from Edmonton West (Mr. Lambert) has said, and I am prepared to make a compromise. After all, we are approaching Canada Day and everyone is in an amiable mood. I would be prepared to withdraw subparagraph (b) if the minister will accept subparagraphs (a) and (c).

Mr. Andras: I am most impressed by the eloquence of the hon. members who have spoken and by the reference to Canada Day and the like. But with regard to the question raised by the hon. member for Edmonton West (Mr. Lambert) in connection with the records of subsidiary companies, I may say I know what he is getting at. I will make the point that I attempted to make in another forum—that it is really a matter of definition of subsidiary association with a Crown corporation and definition of a Crown corporation itself. This, in my opinion, is much better left to the definitions section of a revised Financial Administration Act, perhaps in combination with a forthcoming omnibus bill using the Crown Corporation Act as the basic legislation. Even if the amendments in subparagraphs (a) and (c) were accepted, their implementation

would still require the definition of a Crown corporation and of a subsidiary.

Mr. Baldwin: I have one.

Mr. Andras: Well, that would mean more legislation. I really think that the good arguments which have been employed should be left until we bring forward amendments to the Financial Administration Act. There is a good deal of work still to be done there to clear up misunderstandings and bring the definitions up to date, including the whole question of the relationship between Crown corporations and subsidiaries, the degree of ownership and control, and so on. So although I understand what the hon. member is getting at, I feel strongly that amendments should be left until we bring the other bill before the House. The hon. member for Peace River (Mr. Baldwin) rose on a point of order—

Mr. Deputy Speaker: Order. I do not think I can allow the minister to speak a second time on the motion. The hon. member for Peace River asked a question, to which I assumed he was expecting a brief reply, "Yes" or "No." The minister cannot speak a second time without consent.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the House consent to allow the minister to speak a second time?

Some hon. Members: Agreed.

Mr. Andras: Mr. Speaker, I have completed my comments on subparagraph (a). I shall not comment on subparagraph (b) because there seems to be a hung jury, anyway. But since I am not prepared to accommodate the hon. member with regard to (a) and (c), I suppose (b) will have to stand or fall in accordance with the decision of the House.

I would point out, though, that we have made refusal of information progressively tougher. The auditor general may request it, and if he is not given it he may direct his inquiry to the governor in council. Let us not forget that if the governor in council does not proceed by way of its discretionary powers under this clause, the auditor general, by virtue of other clauses, will have authority to make the decision public in the House. I think we shall stay with an arrangement which has been thoroughly discussed with the Auditor General and with the Wilson committee which looked directly into this area.

Mr. Baldwin: I do not have the same confidence in government counsel as you have.

• (1730)

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is now on motion No. 6 in the name of the hon. member for Peace River (Mr. Baldwin). Is it the pleasure of the House to adopt the said motion?

[Mr. Andras.]

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion lost.

Motion No. 6 (Mr. Baldwin) negatived.

Mr. Alan Martin (Scarborough West) moved:

Motion No. 7.

That Bill C-20, An Act respecting the office of the Auditor General of Canada and matters related or incidental thereto, be amended in Clause 14 by adding immediately after line 11 at page 6 the following new subclause:

"(2) The Auditor General or his representative is entitled to receive notice of every meeting of the Audit Committee of a Crown corporation and to attend and be heard thereat."

and by renumbering the subsequent subclause accordingly.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 to Standing Order 75, the recorded division on the proposed motion stands deferred.

If hon. members will allow the Chair to inquire whether there is a decision ready on motions Nos. 1, 2, 3 and 4, we could have the decision quickly.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I had hoped my colleague, the hon. member for Winnipeg North (Mr. Orlikow), would have been here by now, but his plane must have been delayed or something. Is it possible to proceed

to something else and leave motions Nos. 1, 2 and 4 until later?

Mr. Paproski: Mr. Speaker, I rise on a point of order. We could go on to the adjournment motion, on which there will be only one question, if you would like to call it six o'clock; but you would have to give us five minutes to call in the one member who is prepared to speak in the adjournment debate.

Mr. Deputy Speaker: In any case I have called on Mr. Speaker, and we will have to wait to see what his decision is.

Mr. Speaker: Order, please. I have given some consideration to motion No. 3 standing in the name of the hon. member for Peace River (Mr. Baldwin). I am endeavouring to do all I can to support the notion that the motion does not introduce a number of new principles into this bill, and I am having great difficulty with that. At this moment I cannot be very encouraging with respect to the likelihood that the House will go on to debate that motion.

This leaves us with the motions standing in the name of the hon. member for Winnipeg North (Mr. Orlikow), which remain in some procedural doubt. It was a pleasant development that the House finalized so speedily its consideration of the report stage of Bill C-27 during the two hours this morning. Therefore it is not extraordinary that the hon. member for Winnipeg North might be caught by surprise. However, it leaves us in some difficulty about business. I wonder if it might be appropriate for the House to move to consideration of other matters or another government order.

Mr. Goodale: Mr. Speaker, the next items of business, as I indicated earlier, would be two finance bills, Bill C-5 and Bill C-18, which deal with currency and exchange and Bretton Woods. Both bills stand at report stage. I notice the Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) is not here at the moment. I understand he will be here momentarily. If other hon. members are ready to proceed with those two items, I am sure the government would be ready to proceed as well.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I apologize to the House for the delay of my colleague, which is putting us in a spot where we have to take it easy for a few minutes, but I do not think that will hurt us.

While Your Honour was out of the chair and Mr. Deputy Speaker was in the chair, a suggestion was made that we might proceed to the adjournment debate by calling it six o'clock. Perhaps we could have your ruling on motion No. 3 and then proceed to the adjournment debate. If my colleague is not here when we convene at eight o'clock tonight, I will not ask for any further delay.

Mr. Speaker: In a general way I can certainly give the House the benefit of my decision in respect to motion No. 3. We examined several paragraphs of the motion standing in the name of the hon. member for Peace River (Mr. Baldwin). Further to the point of order and the arguments made earlier, we had to address ourselves to two considerations. The first was in relation to the principle of the bill itself, because a motion at this stage has to be consistent with the principle of the bill, and it must not exceed the scope of the clause which it seeks to amend. The bill itself establishes, as a new practice, the ability of the Auditor General to table a different kind of report from that which he has been able to table in the past, that is to say, generally it would be a special report under circumstances where the Auditor General feels it is necessary.

The purpose of clause 8 is to permit the Auditor General to make that kind of report. The purpose of the motion, in basic terms, is to endeavour to indicate what the House will do with a report as and when it is received in the circumstances as described in the statute. While that motion may not in itself be such as to offend the precedents and practices of the House with respect to amendments, the motion itself goes much further than that.

● (1740)

Rather than attempting simply to establish some disposition by the House of reports of the Auditor General of this sort when they are received, the motion goes on in rather extensive provisions to do such things as establish, at the beginning of every session of parliament, a standing committee of the House, which is a different practice than that which we now follow pursuant to our Standing Orders, to establish the membership of the committee, and to establish compulsorily that the chairmanship of the committee shall be filled by hon. members who sit in opposition to the government. Those provisions alone contain amendments to the practices of the House which are rather substantial in nature, and it seems to me that to reach so far as to attempt to alter substantially the practices of the House in respect to the establishment of committees which are to operate independent of orders of reference of the House and which are constructed by statute or constituted by statute is to depart from the present practice of the House with respect to orders of reference.

This motion would impose conditions, which would be a departure from those which now exist, in respect to an automatic order of reference to a standing committee independent of an order of the House; reach through this statute to attempt to alter the structure of standing committees; alter conditions under which committees operate, and in effect direct members of the committees when they are consituted together on how they shall proceed to do their business; and specifically it would direct the members of a committee to choose their chairman from among the members. While that is a practice of the House at the present time,—and it is a very laudable practice—indeed it is never a practice which has been attempted to be enshrined in legislation. Surely if that attempt is to be made it would have to be made through an amendment to the Standing Orders of the House.

The motion goes on to alter provisions of the Financial Administration Act. It goes on to extend powers of the committee to sit independent of the House, and things of that nature. All of it varies extensively the practice of the House

which, as I say at first blush, must be done by amendments to the Standing Orders.

The purpose of what I have said is simply to describe the structure of the amendment. Again I say that the intent of the amendment, which was defended by the hon. member for Peace River (Mr. Baldwin) and the hon. member for Edmonton West (Mr. Lambert), is to attempt to extend the statute by describing how the House will deal—or to set up some manner of dealing—with these reports. This may—and I say may—have been achieved, but that is entirely different from what is proposed here. That is the intention and the motivation of this amendment, but to go on to describe in detail the membership of the committee, its structure and its powers, which are different from those of any other committee now sitting, seems to me to go far beyond what was ever anticipated as a part of the principle of this bill—and certainly far beyond the scope of any one clause—which provides simply that the Auditor General may report to parliament through Mr. Speaker, and that that report will be tabled in the usual way.

After very careful consideration I must find that in some very fundamental ways this motion does more than go beyond the scope of any clause which it seeks to amend, and in fact goes beyond the principle of the bill and introduces entirely new concepts into the practices of the House which I think would have to be done in a different way.

There may be some disposition in the House to call it six o'clock and to proceed to deal with the items which have been called for at that time. Is that agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—REQUEST FOR NAMES OF COUNTRIES WHICH ALLEGEDLY DO NOT HONOUR THEIR COMMITMENTS—ATTITUDE TOWARD AID TO INDONESIA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, since last February when I raised the question on CIDA that is at the core of the present debate, two significant things have happened. First, Michel Dupuy has taken over as president of CIDA, launched a drive to tighten up and improve the management of that agency, and appeared before three House committees. At his last appearance Thursday before the public accounts committee he reported that he had implemented more than half of the Auditor General's 92 recommendations for improving the management operation.

[Mr. Speaker.]

Second, the North-South Conference has come to its conclusion. The final communiqué listed 21 points of disagreement and only 20 points of agreement. It was not a happy conclusion. Thus, we have not made much substantial progress in putting into place the structural changes in trade and monetary systems needed to build up self-reliance in the least developed countries.

Where does this leave us? The work of CIDA continues to be of the utmost importance since aid programs, despite their limitations, are still very necessary. Therefore Canada ought to be progressing toward the .7 per cent of the gross national product figure that is the United Nations goal. As it is, we are going in a reverse direction since Canadian aid has slipped from .58 to .51 per cent of GNP in the last two years. But who can argue for a higher volume of Canadian aid until parliament and the public are assured that aid is being directed and administered in the best possible way? The Auditor General last year found a "very unsatisfactory state of financial control" in CIDA and set up a major audit which led to 92 recommendations. As a result of last week's meeting with the Public Accounts Committee we learned from the deputy Auditor General that there is in place "a well-balanced plan" to implement the recommendations which have been made.

Progress is being made. But of course we are not yet satisfied that CIDA is being run in the most efficient manner. Another auditor's report will be needed. Not even that, however, will be sufficient, for the Auditor General concentrates on control systems. In order to evaluate the effectiveness of Canadian aid programs we must go beyond control systems and have access to CIDA's country reports which describe the intentions of aid programs in the economic, social, and political context of the recipient country.

CIDA has for a long time needlessly employed the confidential stamp on much of its most relevant material. Even as late as last week CIDA was denying me access to the Auditor General's list of 92 recommendations. It took the pressure of the Public Accounts Committee meeting to make that list available to me. On reading it, I cannot see any possible reason for the previous confidentiality, except to avoid embarrassment to CIDA's former president, who left his successor with a leaky ship. If CIDA is to complete the process of regaining the confidence of parliament, the country reports must be made available. It is neither fair nor reasonable to ask members of parliament to vote CIDA's $1.1 billion budget without at the same time making available to us relevant information, as distinct from CIDA's public relations material.

We want to know some basic facts. What is CIDA doing to ensure that more aid goes for community development in rural areas of developing countries? What pressure is being put on the administrations of developing countries to enforce internal reforms so that the fruits of development get to the massive rural populations and not just the elite? What is CIDA doing about ensuring a strong Canadian input into development strategies for the third development decade? What is the amount of the Canadian contribution to the special action program set up by the North-South Conference?

There is a great deal at stake as we put together an improved CIDA operation and an enlarged Canadian role in the continuing north-south dialogue. The first priority has got to be on building Canadian public opinion to support CIDA, and to accomplish that CIDA has to do a better job of explaining itself.

● (1750)

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member for Edmonton-Strathcona (Mr. Roche) raised some questions concerning a statement in the Auditor General's report related to CIDA where it says that certain countries do not honour their commitments. He asked whether Canada will maintain a high level of aid to Indonesia without publicly protesting the violation of human rights in that country where so many political prisoners are being held.

In the light of our experience in the field of development cooperation in the last twenty-five years, it appears clearly, Mr. Speaker, that if there is one thing the under-developed countries are not joking about, it is their own development. With a few exceptions, they are not taking their commitments lightly. They do not come back either on commitments made with their partners or on arrangements made to achieve some projects to straighten out and restore their own economy.

However, it must be recognized that we are speaking here of underdeveloped countries, of poor countries, where shortages of all sorts are the rule rather than the exception, and where planning capacities and management experience are often scarce. By that very fact, we are dealing with countries where our help must be concentrated in a manner and spirit of true cooperation.

I think we all realize that errors in planning and implementation are inevitable and that the beneficiary-country can find itself unable to supply the promised resources for lack of them on the local market or lack of funds. As a result, the work of CIDA is occasionally delayed or made more complex, which is unfortunate but inevitable. As for the report of the Auditor General, I would merely add that we hear much more, and rightly so, of its negative aspects; on the other hand, to get an overall view of the situation, we should remember that the Auditor General mentioned a marked improvement during the fiscal year 1975-76, in the application of measures intended to tighten the financial control and improve the administration.

The problem of the violation of human rights has recently been given more attention in the press. I am convinced that all hon. members are happy to see the renewed interest in that most complex and persistent problem. The attitude of Canada, with regard to the violation of human rights in other countries, has traditionally been based on the conviction that it is easier to influence the internal policy of other countries, and really improve the living conditions of the persons involved, if we proceed slowly, making representations through diplomatic and other official channels, while maintaining good relations with those countries. In the specific case of Indonesia, the Canadian government is aware that there are political prisoners in that country; indeed, it brought up the matter at top level meetings, thus voicing the concerns of many Canadians about the problem.

An alternative to our traditional policy would be to denounce publicly, on behalf of the Canadian people, the violations that are brought to our attention. This would cause serious problems. First, such an initiative would bring about resentment and official protests against our interference in the internal affairs of sovereign states. We would then be faced with the law of decreasing efficiency, since Amnesty International and other groups have gathered evidence of serious violations of human rights in over one hundred countries, including most Third World countries. Even worse, it is not very likely that this would improve the situation of those victims of the oppression that are not known internationally, not considering that in certain cases, in some countries, their situation could become even worse. As the Secretary of State for External Affairs pointed out in his statement of last March 3, our policy in that regard will be very flexible.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: I do now leave the chair until eight o'clock tonight.

At 5.56 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

AUDITOR GENERAL ACT

MEASURE RESPECTING OFFICE OF AUDITOR GENERAL

The House resumed consideration of Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto, as reported (with amendments) from the Standing Committee on Public Accounts.

Mr. Speaker: Order, please. The hon. member for Winnipeg North (Mr. Orlikow) has three motions at report stage which would seek to amend Bill C-20, an Act respecting the office of the Auditor General of Canada and matters related or incidental thereto.

As I indicated earlier in the day, I had some concern that the hon. member's amendments were introducing into this statute a new concept of the responsibilities of the Auditor

General—something that went beyond the scope of the bill and certainly beyond the scope of the clauses the hon. member seeks to amend—by introducing responsibilities that were entirely foreign to those envisaged by the legislation. From a procedural point of view it gave the Chair some concern and I thought the hon. member for Winnipeg North ought to be given the opportunity to defend his motions. I now recognize the hon. member.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the bill before us, C-20, deals with the office of the Auditor General of Canada and matters related or incidental thereto.

It seemed pretty obvious to me, both as a member of parliament and as one who attended the majority of the meetings of the standing committee that deals with the Auditor General's reports and that dealt as well with this bill, that it has come before us because the experience of the last few years has demonstrated that the powers parliament had given to the Auditor General did not give him the authority he needed to do his work in the way in which parliament would like to see it done. He did not have the power to get and to give information to parliament and the people of Canada which they required, something which was behind the whole principle which parliament adopted when it established the position of Auditor General.

I do not want to abuse my rights by going into lengthy detail about the kind of committee meetings where the Auditor General and other people testify; suffice it to say that in my years in parliament I have never sat on a committee in which there was less division, and fewer party differences than that committee. This was because we were confronted, time after time, with tales of horror such that no member of the committee, regardless of party, could be anything less than worried. I will not go into detail.

● (2010)

Committee members hear with amazement how Polysar and its multiple subsidiaries carry on business, in a manner so bad that no member of Polysar or its subsidiaries will take responsibility for what was done. We heard of money being paid into numbered accounts in other countries, of unknown people being paid off for unexplained reasons. Similarly, in the case of Atomic Energy of Canada Limited, we heard certain disturbing facts concerning the sale of reactors to Argentina and South Korea. I shall not discuss these at present. If the Auditor General had been given more authority, or more clearly defined authority and responsibility with respect to members of parliament, the government and the corporations whose books he ought to have audited, we would have avoided much of the difficulty about which we heard, and the people of Canada would have saved tens of millions of dollars. And, in essence, to overcome those shortcomings Bill C-20 was introduced. It is to broaden and clarify the authority and responsibility of the Auditor General.

I support the bill, as did other members of the committee, regardless of party. I am not trying to change the bill's fundamental character; I am trying to define more clearly the

Auditor General's authority, to allow him to give parliament the information I believe parliament needs. I do not suggest, for example in my first amendment, that the Auditor General should have the right to say the registered retirement savings plan is a bad plan, which I think it is; or that the registered home ownership savings plan has saved people, mainly in upper income groups, substantial amounts of tax, which I believe it has, and therefore people in lower income brackets are forced to pay more personal income tax to meet the expenditures of the Government of Canada. I do not say the Auditor General should say if the accelerated write-off of corporate assets for taxation purposes is good or bad.

On the other hand I say that parliament and the people of Canada have the right to know how much money would have accrued to the Government of Canada in the absence of provisions for accelerated write-off of corporate assets for tax purposes. I believe parliament is better able to assess the effect of such provisions than is some partisan expert who has his own opinion as to how taxes should be applied. I say these questions are for parliament to decide. I therefore say that parliament could do a better job in this regard if the Auditor General, appointed by the Parliament of Canada, reports to the people by reporting to parliament and not to the government. For example, we should know how much money the government collects through corporate taxes and through personal income taxes. Armed with such information, we could understand better the workings of the Income Tax Act.

Similarly, I say it is not the Auditor General's task to comment on the effects of indexation of personal income tax. He should not say if it is moral or immoral. I happen to believe that the indexation of personal income taxes has been of benefit mainly to people in middle and upper income brackets. If you pay little income tax, what difference would indexation make? Why should the person who pays $100 or $200 income tax be overly concerned about the indexation of income tax? On the other hand indexation for those paying, say, $20,000 a year in income tax means a substantial amount of relief. For those reasons I propose my amendments. As I say, my proposals would not change the basic purposes and duties of the Auditor General, as outlined in Bill C-20.

Some senior civil servants who looked at our amendments in committee said that we do not know precisely how the amendments would work in practice. That is true. It is not our job to analyse in detail how our proposals would work. That is the job of permanent officials. Our job, as members of parliament, is to get as much information as possible on this subject, and one of our main sources of information is the Auditor General, who is an expert in accounting, non-partisan because he is a public servant, completely objective, I suggest, because he reports to parliament directly, and not to the government as do 90 per cent of public servants, and reports the facts as he sees them.

We know, from annual reports of the previous Auditor General who was appointed by the Conservative government and of the present Auditor General who was appointed by the Liberal government, that Auditors General do precisely what I

suggested. Because they have effectively turned the spotlight on poor management practices and mistakes made by the government and senior public servants, governments do not love them, do not love even those Auditors General they themselves appoint.

In the objections raised to one of my proposed amendments it was suggested that the presentation of a tax expenditure budget by the Auditor General, as suggested in my amendment, would involve so many vexed questions concerning taxes and so much argument concerning what is and what is not a tax expense, that the solution to the question would require the application of much manpower and time and perhaps involve the Auditor General in political questions. I have already dealt with that. I do not want the Auditor General to make moral judgments. I simply want him to give parliament the information which I believe parliament should have if members of parliament are to do the job they are required to do. I do not believe that the questions involved are so difficult that arbitrariness is inevitable.

● (2020)

One of the objections is that the consequence of a tax expenditure budget which I put forward would mean the inclusion as a matter of course of questions on a number of items, and that would be misleading to say the least. Either the questions are difficult or they are not. If there are severe problems deciding what will go in, one cannot argue that the concept of tax expenditures is so strict that one cannot avoid putting in some things that somebody would prefer to leave out. Conversely, if the problems are so straightforward that they have already been decided, there is not much choice as to what will or will not go in.

It is difficult to see how the Auditor General will get himself involved in political questions or find himself faced with difficult problems which he will not know how to solve.

What we are asking is not something new. It is not something so radical that it has not been tried before. What I am asking for in my amendments is already to a large extent the law in the United States. What I am asking for is precisely the kind of information which the United States Congress gets in a routine way on the basis of existing U.S. legislation.

It may be that the kind of amendments which I have moved are not to the liking of the government. That would not surprise me. It may be that the government does not want members of parliament to have the kind of information which I suggest the Auditor General should be providing to members. It believes it is easier to run the business of government and get the income tax legislation, corporation tax legislation, accelerated depreciation and faster writeoffs of corporation assets for taxation purposes passed if members of parliament and the public as a whole are kept ignorant. That is not a good way in which to run the country. It is not the best way in which the democratic system can operate.

The best way in which a democracy can operate is for the people to have the most information that is available. If people are given all of the facts, they will make the right decisions. They will call on governments to do the things that are fair. In order for them to have the facts, they need the kind of information enunciated in the amendments which I have moved.

My amendments may not meet the desires or wishes of the government. The government may wish to vote against them. That, of course, is how a democratic system works. If the government wants to vote against my amendments, it has every right to do so. I submit there is nothing in my amendments that can not properly be included in the bill and therefore voted upon. I submit that my amendments are in order.

Mr. Speaker: As I indicated earlier in the day, I had some concern from a procedural point of view about the regularity of the motions put forward by the hon. member for Winnipeg North (Mr. Orlikow). I have, in the interval, had the opportunity of studying them very carefully in connection with the terms of the bill itself.

It seems that the hon. member for Winnipeg North is proposing by way of his motion that the function of the Auditor General be extended in a very fundamental way.

The function of the Auditor General is as contemplated in the legislation and has been tried in previous legislation which this bill will alter. That function is to perform in respect of the books of the Government of Canada in the same way that an auditor generally performs in the private sphere in the books of any company; to determine whether accounts have been faithfully kept, to determine whether records are adequate, to determine whether money has been expended for purposes other than that for which authority has been given, to determine whether satisfactory procedures have been established and followed from an accounting point of view in respect of the use of public funds. Further, he is to indicate in his annual report some other observations as to whether or not the Auditor General has been provided in the course of his very important duties with proper and adequate information to ensure that the task has been properly performed. All of that is well understood by hon. members.

As usual, the motion put forward is one which has a motivation that cannot be questioned. The further provision of information as described by the hon. member for Winnipeg North in defending his motions is not what is in question. Neither is the motion as put forward earlier in the day by the hon. member for Peace River (Mr. Baldwin) contained in his amendment.

As usual, these motions all put forward an idea which has a great deal of merit. That is never the test. The question is, does the amendment form, from a procedural point of view, a proper and appropriate amendment to this particular statute.

In the way in which it is put forward, it seems that the notion of the Auditor General which is contained in all of the hon. member's motions, examining the individual income tax returns or tax returns for corporations in order to make judgments as to whether amounts of money that have been claimed as deductions may fall into a part of a budget that

ought to be expressed to parliament in terms of an assessment as to the global amount of money that may have been recovered by the federal treasury had these programs not been in place, is an extension of the function of the Auditor General.

Whether that information ought to be sought by members of the House of Commons is entirely another question. Whether or not it ought to be provided, perhaps by the Minister of Finance (Mr. Macdonald) or the Minister of National Revenue (Miss Bégin), in terms of answers to questions on the order paper or an examination on the estimates of these ministers in terms of their past operations vis-à-vis expenditure forecasts for the coming year by way of the budget estimates, are all very valid questions for consideration.

What I have to decide is whether or not it forms a part of this particular statute to have this information collected and these judgments made by the Auditor General in order that a report can be made by him on these questions. The very notion of the Auditor General making these judgments and examining individual taxpayers' tax returns, which goes far beyond his function in examining the books of the Government of Canada, is in itself in a very fundamental way an extension of the entire concept of the basic function of the Auditor General of Canada.

I therefore find that the motions, which are all related to the same basic concept of a tax expenditure or a tax expenditure budget, introduce in their very terms an entirely new and unrelated concept to this legislation and, therefore, procedurally fail.

In order to keep things procedurally organized, we have now disposed in one way or another of all seven motions at the report stage of Bill C-20. Four were found to be out of order. Three have been discussed and divisions have been deferred. I understand that motions Nos. 5, 6 and 7 were dealt with. Is there some indication of the time at which, now that discussion on the bill has finished, those deferred divisions will take place?

Mr. Andras: Mr. Speaker, I am given to understand that there have been some discussions and that it has been favourably received that we take the deferred votes this evening, I believe right after the other arrangement which follows on 9:45 when we deal with Bill C-27. That is the information I have been given to understand is correct, that it is the disposition of all parties to proceed in that way.

● (2030)

Mr. Hnatyshyn: The minister is correct when he says there have been discussions. But I might point out there are up to 13 votes to take, and this is something which cannot be done within a short period. I estimate it would take between an hour and two hours of voting starting around 9.45.

Mr. Knowles (Winnipeg North Centre): We might start earlier.

Mr. Hnatyshyn: That could be considered. Or we might consider putting these votes over until tomorrow morning. If that is not a good suggestion it might be well to take the matter up further and discuss it during the next item of business. Then we could get back to the parliamentary secretary and the President of the Treasury Board and make some specific proposals. But I am somewhat apprehensive that if we take so many votes after 9.45 p.m. we might be here until well after midnight.

Mr. Knowles (Winnipeg North Centre): I agree with the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) that discussions should continue in the next little while to see whether the matter can be resolved. I should like to request that no consideration be given to the idea of taking these votes tomorrow morning. As the hon. member knows, a number of members are going to the funeral of our late friend tomorrow, which means leaving the House around 11.30 a.m. I still hope it may be possible to bring the starting time forward a little tonight. If we take about 15 votes at eight minutes a vote, that would account for 120 minutes, or two hours, if my arithmetic is not faulty. That is assuming the officers at the table are able to keep up that pace of eight minutes to a vote. But perhaps we continue discussions while the debate is going on in connection with the next item.

Mr. Goodale: In addition to the difficulty mentioned by the hon. member for Winnipeg North Centre the situation I see is that in the course of our business today, for circumstances which were beyond anyone's control, we adjourned slightly early both this morning and before six o'clock, losing a certain amount of time which would otherwise have been profitably spent on the business before the House. In these circumstances I hope we can work out an arrangement to dispose of the votes this evening.

Mr. Speaker: I am prepared to put this matter over until the House leaders have had an opportunity to take it up further, but there is one difficulty to which I must draw attention. The bells cannot ring earlier than 9.45 p.m. tonight because there is an order of the House that deferred divisions on these motions shall begin at 9.45. While there is nothing to prevent the bells from ringing for a division on these motions, if it is the wish of the House, I believe we should decide to do one thing or the other.

An hon. Member: What about taking this division, anyway?

Mr. Speaker: The point is, we have concluded the report stage of Bill C-20. I am perfectly prepared to see the House take up the Bretton Woods Agreements Act for a few minutes and then give me some advice as to the course proposed.

BRETTON WOODS AGREEMENTS ACT

AMENDMENT TO INCREASE SUBSCRIPTION TO INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR CONSTRUCTION AND DEVELOPMENT

Hon. Robert K. Andras (for the Minister of Finance) moved that Bill C-18, to amend the Bretton Woods Agreements Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs be concurred in.

Motion agreed to.

Mr. Andras (for the Minister of Finance) moved that the bill be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it was hoped that Bill C-5 would be called before Bill C-18. My hon. friend from York-Simcoe, who is the financial critic for the official opposition, has indicated his intention to make a few observations at this stage of the bill. He was hoping the minister would be here, but he has been detained at another meeting. I will do my best, however, as I have done in the past, to pitch in and substitute.

I do not know that there is anyone in the House or even, for that matter, among the experts advising the minister, who can say he has even a tolerable knowledge of this act in its entirety. Never have international financial relations been so complicated as they are today. We see one country after another getting into trouble, whether members of the fund or not. Canada is one of the classic examples. We proudly say we belong to the club. We pay our dues, and then we opt out of the major requirements. Instead of maintaining a relationship with other currencies, particularly with the reserve currency, the U.S. dollar, as required by the act, we have since 1970, I believe it is, adopted a floating rate. This is all very well for the cozy few, but some of us remember the jungle warfare of the period the second world war on international monetary markets as one nation after another devalued its currency in the course of dog eat dog competition. This ultimately caused the boat to rock so much and gave rise to so many counter-actions of a nationalistic and protective nature that the whole affair culminated in the Second World War. This was one of the contributing factors. It was also a symptom of the unacceptable quality of international financial relations prior to the Second World War.

Consider the Bretton Woods Agreement of 1944, the first phase, and then the second phase which followed in 1964 or 1965. Now we are seeing, in Canada, the third formal phase and I note that the French government, for example, is taking violent objection to the form which is presently being proposed to us, and we see this, that, and the other country devaluing its currency, not necessarily within the framework of the International Monetary Fund. These are, to my mind, disquieting symptoms.

● (2040)

It is to be hoped that the special drawing rights will relieve the pressure on the American dollar as an effective reserve currency with gold as its backing. The pound sterling has had a relatively stable past. In the early days of the Bretton Woods Agreement, I recall it used to cost me $4.75 Canadian to buy one pound sterling when I was a student at Oxford in 1947-48. Today it costs approximately $1.75 Canadian to buy one pound sterling. Both currencies have been thoroughly debased by inflation, although one could ask to see a currency that is not. Some do not exist in relation to their original valuations.

The special drawing rights, which we saw inaugurated some three years ago and which are being formalized by this agreement in a much more prominent role, are viewed by some countries as another source of drawing down benefits. Many of us view that aspect with some concern. We are not particularly worried about the developed countries doing more for the underdeveloped countries. To disregard man's obligation toward his fellowman would be merely hiding one's head in the sand. But I do not think it should be done through the medium of granting special drawing rights to underdeveloped countries or those engaged in the south part of the north-south dialogue, which is really a reserve tool within the IMF.

Along with my colleague from York-Simcoe, I hope we can get a great deal more information about the operations of the Canadian Exchange Fund in this relationship with our trading partners. There seems to be a hush hush attitude, which is not prevalent in a number of other countries, where dealings in the foreign exchange fund by the Bank of Canada have become sort of a sacred cow that one must not approach. We have been acting in the international market only when the bank or the government deigns periodically to release information in the most guarded terms.

There has been a great deal of pressure on the Canadian dollar lately. I fault the government for not telling the people why in layman's language, so that one does not have to become an international banker or expert on the foreign money market to understand why, some months ago, the Canadian dollar was trading as high as $1.04 and threatening to go higher, and is now down to 94 cents. I suppose that if one presented a Canadian dollar bill at a Detroit bank one would even receive less.

Americans may be glad to come to Canada thinking their dollar is worth $1.06, and hoping they will get $1.06 value Canadian. But when the shoe is on the other foot, our American friends go into a shell and say that they do not take our money. It could be worth $5 but they will not take it. Thus, they simply say they will take it at 90 cents, and you take it or leave it. The further south of the border you go the worse it gets. Sometimes you are in a position where you have got to leave it and they will take it, but at the reduced value.

I want to make a special plea on behalf of all members in this House for the Minister of Finance (Mr. Macdonald) and the Bank of Canada to be much more outgoing with regard to their actions respecting the IMF. It is not something which is holier than thou. Canadian people have enough sophistication. Those in the financial world should have the expertise to be able to tell them what is happening. Then they can take the

appropriate action to improve our lot or guard themselves against unnecessary loss. All of this helps our total economy.

I hold a good deal of hope for Bretton Woods. I am not like some French parliamentarians who laid the blame for most of France's present inflation at the door of Bretton Woods and the lack of control over Euro dollars. I must confess that I could not follow their arguments. It may be they will have an opportunity of impressing me better in the near future. I certainly intend to look further into their arguments. Many formulae were advanced with regard to breaking the rigidity of the former values of the reserve currencies and the matter of the peg. Each of these formulae had their champions for a while and they had their vogue, and then they passed on to something else. They had some rather colourful names—the crawling peg, the snake, and a few others.

This will include those OPEC financial powers which will have to take a very realistic and responsible attitude toward international monetary relations. It may be all very well for some countries to build up their foreign exchange funds at the expense of another country in a sort of beggar thy neigbour policy. As the right hon. gentleman from Prince Albert is always wont to say, there is no alley that does not have its ash cans. Those countries which engage in very questionable practices with regard to their financial relations with their neighbours in the world are going to reap some problems in the future.

● (2050)

While we in the House may express our opinions with regard to the Bretton Woods Agreement, there is not one dot of an "i" or one bar of a "t" hon. members of this House can change. This is an international agreement entered into by the government under its powers. I suppose if this House felt badly about the Bretton Woods Agreement and rejected this bill, the government's signature on that international accord would be repudiated by its parliament, and that would be a very interesting scenario to speculate upon, but I am sure that generally we hope to see some order in the international financial market.

I do wish, however, that we in Canada were not the ones at whom everyone can point a finger because, for our own particular advantage, we decided to opt out of the reserve positions on our own currency; in other words, that we would refuse to peg to the reserve currency as required by street adherence to the IMF accord. That, to me, is an action we may live to regret. In some ways we have been able to get the best of both worlds so far, but that will only be for a short time. I would have liked to have seen something more for stability in the long run in that field, and on that note I shall close these comments on behalf of myself and my colleagues.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to say a few words about this complicated, little understood bill. Essentially it deals with Canada's participation in the International Monetary Fund and in international exchange. The bill raises certain questions. The original idea was to help countries and to rebuild Europe after the war. That has largely been accomplished, but new and greater problems have arisen.

[Mr. Lambert (Edmonton West).]

For the first time much foreign currency is owned and held by the OPEC countries, and the western industrialized countries which, from a national point of view, were once wealthy, are now in many cases debtors. This is particularly so of Great Britain, Italy, and even Canada. Even the strong countries of Germany and Japan depend very noticeably on the attitude of the OPEC countries toward the rest of the world. Some oil nations have shown considerable insight and understanding of the economic problems of the world, and their forbearance is to be commended, but a great many industrialized countries are faced with financial problems greater than they have ever had before, particularly France, Italy, and Great Britain. However, with the possibility of oil in the North Sea a substantial amount of foreign currency may see Britain through for the next decade. Even so, this latest change in the Bretton Woods Agreement means moving away from the traditional gold which was the standard for many hundreds of years. It is only a small part of the special drawing rights, but gold was important. Essentially the currency is now becoming paper.

Whether the International Monetary Fund will be a success depends on the abilities of the managers of the fund. If we are all going to be in one pool, as industrialized nations we may be able to help each other. However, we may get to a point where the whole system will collapse. This idea is being considered by many reputable economists around the world, and I do not think they can be ignored as paper tigers. Nor should we think that events can be regarded as unexpected or that there will be very little chance of any currency crisis which cannot be handled. I think there are very real dangers of that happening, and that is echoed by many economists who are aware of the great financial strains in the world. Even in our country, where we are supposed to have done a little better than other countries with regard to growth, it is interesting that the latest statistics from Statistics Canada show that from 1970 to the present time our economy has grown from $86 billion to $200 billion. That seems like a lot, but over two thirds of that is pure inflation. In other words, $80 billion of our economy now compared with seven years ago is just an inflationary figure.

Inflation has taken place around the world, but it is hard to understand why we cannot bring it to an end with a wholesale readjustment of currencies and of nations' trading positions. Therefore I believe the questioning and concern about whether the international currency arrangement can actually prevent a sudden and severe crash of currency are justified. In any case I presume that this bill is an attempt to take part in the working of the fund, and it is with considerable skepticism that I speak for this bill. However, as an advanced industrialized nation this is one of the contributions we can make to the world and to the western economic system.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

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

* * *

CURRENCY AND EXCHANGE ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT AND OTHER ACTS IN CONSEQUENCE THEREOF

The House proceeded to the consideration of Bill C-5, to amend the Currency and Exchange Act and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Marcel Lambert (Edmonton West) moved:

That Bill C-5, an Act to amend the Currency and Exchange Act and to amend other Acts in consequence thereof, be amended by deleting Clause 5 and by renumbering the subsequent clauses accordingly.

● (2100)

He said: Clause 5 of the bill actually proposes that the Auditor General examine the books of account of the Foreign Exchange Currency Fund and report to parliament, as he does in his annual report, and he shall certify to a number of things that are required under the act. Now it is proposed that the Auditor General compile his report but submit it to the Minister of Finance (Mr. Macdonald) who will then in due course table it in the House. Why this change? The Auditor General is responsible to parliament. I am sure Mr. Macdonell would be the first one to deny that he is the one who should tell parliament what it should do in regard to its relationship with him.

I found it passing strange, in discovering what was behind this proposed amendment, that it was for conformity, that there would be a tidying up, that down at the management level some lower officials in the Auditor General's office discussed with officials of the Department of Finance the possibility of getting some uniformity. After all, it would seem to be administratively tidier to have all the procedures the same. But why?

I find that responsibility is being centred more and more in the cabinet. The report on the performance of the Foreign Exchange Fund is not like the report on the operations of some Crown corporation. I find it singularly strange that if you ask any minister of the Crown who is responsible for a Crown Corporation which reports to parliament, about some aspect of the operation of that Crown corporation, this stock answer is, "I will pass the hon. member's question to the corporation. I have nothing to do with the direction of that Crown corporation". Yet they maintain that the Auditor General should report to the minister. That connotes a degree of responsibility. If I am told to report to a man, it is because that man has some authority over me. If I am told to deliver a report to an individual who will act as the conduit to higher authority, that is an entirely different thing.

When it comes to management and to fielding questions, the minister stands up in the Chamber during that 45 minute quiz show that is so loved by the media—they think that the sun rises and sets on parliament from 2.15 to 3 p.m. every day, Friday excepted—and says he will pass the questions on to the management of the corporation and will report back, or he tables a report from the corporation under the provisions of Standing Order 41(2). So on the one hand they are the first to duck responsibilities, but on the other hand, for administrative convenience the Auditor General is being asked to report to a minister, who, incidentally, will file the returns, but that is not the point.

The Auditor General is responsible to parliament. My goodness, we have passed Bill C-20 this afternoon, and what does that bill say with regard to the Auditor General? It sets up a great case that he is parliament's best friend, that he is the watchdog, to use the popular newspaper term. What did we do here? Did we put another ring in the chain around his collar?

In the committee we were not very satisfied with the evidence that was given, and I am concerned about it. Even if the Auditor General did give his assent to this change, I do not think, with the greatest respect to the Auditor General, that it is his business to tell us to change. The Auditor General may be an adviser in his role of criticizing government operations, which it is his duty to do, but his responsibility is to parliament, not to cabinet. Yet this motion sets it in and closes the final door. I put the amendment forward so we could have this debated in public. It was debated in committee, but frankly no one comes to the committee to hear it.

I regret very much this feature of the bill. The rest of the bill is perfectly fine, but this House and the other place in accepting this feature will have taken a step backward rather than taking a step forward. In my view the Financial Administration Act should be changed so that the Auditor General, in submitting his reports on Crown corporations, should report through the minister and not to a minister because, in my view, the office and the role of the Auditor General in respect of the House of Commons are sacrosanct. We have just knocked them on the head. I am opposed to Clause 5 of the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to take a few minutes to support my colleague, the hon. member for Edmonton West (Mr. Lambert), in the idea that the Auditor General report directly to parliament, not to the Minister of Finance (Mr. Macdonald). I suppose there are good arguments to be made on both sides.

I was interested in reading the debate and the arguments of the hon. member for Waterloo-Cambridge (Mr. Saltsman) when he suggested that perhaps the Auditor General should report to the Minister of Finance. It seemed to him that the Auditor General would not be able to make specific comments on what was happening to the fund and that only the Minister of Finance could take action to change or correct Canada's

stance or present each one to the people who make the decisions about which countries will get the money. In some ways that is not a bad decision but I believe the Auditor General, who is a servant of this House, should make his report to this House. I think it would be a simple thing, if the Minister of Finance had to make it, for him conveniently to forget it or make it at such a time that it would not attract attention.

● (2110)

International monetary problems will be a greater factor in the next few years than they have been in the past. There is no doubt that the oil situation has created dangers. We read already about huge international debts owed not only by developing and Third World countries but by the communist countries that up until now had always paid their bills. They owe so much money to private banks in the United States, Germany, and western Europe that now many banks have refused to extend credit to them.

This is an important piece of legislation, Mr. Speaker. We are a trading nation and this year our imports and exports are estimated at $40 billion dollars each, or between 20 per cent and 25 per cent of the gross national product. With this in mind, and if we propose to become involved in lending money, directly or indirectly, it is important that the report of the Auditor General be made directly to parliament and not to the minister. It is the only thing that would give us some idea of the way in which the fund is administered.

Substantial changes in the exchange fund are proposed by the bill, and until it can be shown that they work there will be many questions. In committee I posed certain questions to the minister in regard to the United Kingdom and Egypt. In extending further aid to Egypt the International Monetary Fund laid down certain restrictions on what the Egyptian president could do with it. For example, he was advised to cut back on food subsidies. We all know what happened then. Egypt had its worst riots for two decades and at one time it seemed as if the president would be deposed.

The situation in the United Kingsdom only came to light because the Chancellor of the Exchequer did not want to agree to the restrictions proposed by the International Monetary Fund and he made his objections public. The Minister of Finance admitted this is what had alerted him to the situation in the United Kingdom and that he was familiar with the result in Egypt when the IMF had imposed conditions upon the president. Mr. Speaker, I think all this helps to illustrate that the report of the Auditor General should come directly to this House. It would serve no purpose if he talked only to the minister about questionable practices in the exchange fund account.

We are not dealing with small amounts of money here. We have a stand-by credit of about $300 million in the United Kingdom, we have a $250 to $500 million reciprocal drawing arrangement with Italy, and a $2 billion swap arrangement with the United States. The amounts are not small, and when the Auditor General is given his organization I think it is important that he make his reports directly to the House so that we can deal with them here and persuade the government to make any necessary changes.

[Mr. Ritchie.]

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to speak briefly to this motion. First of all I should remind the House that it was considered in committee and I listened carefully then as now, with all the objectivity of a parliamentary secretary, to the suggestion made to change the original proposal of the government. Even with that objectivity I have heard nothing to convince me there was any substance in the amendment proposed by the opposition.

We ought to remember that the Auditor General reports on a number of financial activities of the government under a great many statutes. Under virtually all of them, except for the oldest, the provision is made that his report goes to the minister and the minister tables it in the House. That provision is made for the simple reason that the Auditor General is not a member of this Chamber; he cannot walk through the door and deposit his document on the table of the House. That has to be done on his behalf by a member. The legislation provides that the report goes to the minister concerned with the enterprise being audited, and the minister tables it in the House.

It is a trumped up thing to try to make the point that there is something improper in taking this procedure which is used everywhere else and applying it to the currency and exchange account. This is an enormous account which is of considerable interest to parliament, the country, and the outside world, but to argue that it ought to be handled in any way different than in the legislation provided for all the other accounts and enterprises that are scrutinized by the Auditor General has no validity.

In fact the Auditor General particularly wanted this account to be changed because it has become his practice to provide the account audit to the minister and for the minister to table it. What is being settled through the legislation before us is only what is already the practice, that is, the report goes to the Minister of Finance and the minister tables it.

The present Auditor General has acquired considerable stature and respect in this House and in the country—so much so that the legislation amending his position, Bill C-20, was largely proposed by him and his staff. We have listened gladly to his suggestions. Members, by and large, accepted his suggestions. They are embodied in Bill C-20. The bill now before the House has exactly the same status. Like the Auditor General's Act, this is his own proposal to us. It is the proposal he made to regularize the procedure he actually follows. This is the procedure which will be used not only in this legislation, not only for this account in question, but for all the other accounts and enterprises which the Auditor General audits and concerning which he must report to this House. One could go further than saying the opposition is making a mountain out of a molehill in this case. I argue that they are trying to make something out of nothing at all, and consequently I urge hon. members to reject the amendment.

• (2120)

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Hon. members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Paproski: On division.

Motion (Mr. Lambert (Edmonton West)) negatived.

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-5, to amend the Currency and Exchange Act and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Turner): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Macdonald (Rosedale) moved that the bill be read the third time and do pass.

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

* * *

CANADA PENSION PLAN

AMENDMENT TO EXTEND DEFINITIONS

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-49, to amend the Canada Pension Plan, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Mr. Alexander: On a point of order, Mr. Speaker, we have proceeded with our business so expeditiously that I scarcely had time to regain my seat before Your Honour put the motion for concurrence on Bill C-49. Although there are no amendments to discuss at the report stage, I and some of my colleagues wish to speak on the bill. The hon. member for Kingston and the Islands (Miss MacDonald) who is not here this evening wishes to make her contribution to the debate. Actually I did not know we would make such good progress.

The Acting Speaker (Mr. Turner): Order, please. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Turner): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Tomorrow.

An hon. Member: Now.

The Acting Speaker (Mr. Turner): Shall I put the third reading motion?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I think what we are doing should be made clear. I do not mind our taking this bill tonight, but it was not understood that it would come forward this evening. We just seem to be slipping into it, as it were. The minister is not here, and the parliamentary secretary is not here.

Mr. Alexander: And the hon. member for Kingston and the Islands is not here.

Mr. Knowles (Winnipeg North Centre): Will the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) tell us what is going on?

An hon. Member: There are no amendments.

Mr. Knowles (Winnipeg North Centre): That is right. There is no amendment. We have dealt with the report stage and could go on to third reading now. But that was not the plan for tonight. If the plan has been changed we should have been advised. There has been lots of consultation today; it has worked well. But I do not like our proceeding without consultation.

Mr. Goodale: Mr. Speaker, I do not think it is a matter of proceeding without consultation. I think the House has made perhaps unprecedented progress, which has led us to this evening's remarkable situation.

It was indicated earlier today in the statement concerning the order of business that, after we completed considering the Auditor General's bill, which we did earlier this evening, we would consider two financial bills, C-18 and C-5, both of which hon. members dealt with expeditiously this evening and both of which proceeded through third reading. As indicated earlier, the next item of business was the consideration of Bill C-49, the bill to amend the Canada Pension Plan. Many of us did not anticipate reaching it this evening; however, we have reached it and could use the 15 minutes remaining before the taking of deferred divisions in a constructive consideration of Bill C-49. The minister's parliamentary secretary is now present and in a position to proceed. Of course what we do in the next 15 minutes will not necessarily determine what we shall do tomorrow morning or evening. Because of our remarkable progress, that question would have to be settled by further

consultation, before 11 o'clock tomorrow morning. We do not intend to inconvenience hon. members and did not intend to catch any by surprise.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I listened carefully to the parliamentary secretary and I say this House must be run according to some reasonable semblance of order. As the hon. member for Winnipeg North Centre (Mr. Knowles) said, we must understand what is being done. Many members did not think we would proceed beyond Bill C-5, and I do not think it was contemplated when the business of the House was announced earlier that we should deal with Bill C-49 this evening. For that reason we should consider if it is appropriate even to proceed with the consideration of that bill. Surely the parliamentary secretary agrees that the House must operate on the basis of consultation and understanding.

Mr. Railton: And logic.

Mr. Baker (Grenville-Carleton): As the hon. doctor from Welland says, we must also use logic. But the understandings at which we arrive are most important for the smooth operation of this institution. Bill C-49 is not unimportant and, as the hon. member for Hamilton West (Mr. Alexander) said, some who have a special interest in this bill, because they did not think it would be considered tonight, have become engaged elsewhere this evening in the discharge of their public duties. They would not be in a position to deal with it in an adequate sense because we would be foreshortening the period of time with respect to preparation.

● (2130)

The other aspect that is important is that the bill is of such significance that, frankly, we find it somewhat unusual for it to be introduced on third reading by a member other than the minister in whose name it stands on the order paper, and having it carried in debate by the parliamentary secretary.

I do not want in any way to deprecate the parliamentary secretary. I am sure he understands the basis on which I say that. This bill is either important or it is not. If it is important, it ought to be introduced and dealt with by the minister in a normal way.

It is not unusual from time to time in this House for bills to be dealt with by a parliamentary secretary. However, they are never dealt with in these circumstances unless there has been some advance consultation with the House leaders of the other parties. The courtesy of the House leaders of the other parties is granted in order to permit the government the convenience of doing it through a parliamentary secretary.

When we are approached in advance and it is indicated to us that a bill is important, that it must proceed and that it is impossible for a minister to be present, that permission is normally granted. However, the rules of this House, and indeed the dignity and traditions of this House, demand that the bill be introduced and debate begun by the minister.

I am not suggesting that we would in any way be castigating the government for not having other business ready. There are a number of bills with which we might deal.

Mr. Hnatyshyn: Metric conversion.

Mr. Baker (Grenville-Carleton): We could deal with metric conversion.

Mr. Marchand: Let's go.

Mr. Baker (Grenville-Carleton): There are a number of other pieces of legislation with which we might deal.

Mr. Goodale: S-3.

Mr. Baker (Grenville-Carleton): The parliamentary secretary mentions Bill S-3. I have looked at the "must list" of the government that has been presented and which is slowly shrinking. I find that Bill S-3 is not on the "must list". I would not want to depart in any way from the very careful procedures that we have adopted in the best of faith.

There is Bill C-23, the metric conversion bill. I am sure we could proceed with that. The hon. member for Crowfoot (Mr. Horner) has a particular interest in that bill. If the Minister of Finance (Mr. Macdonald) were here we could deal with Bill C-56, the beginning of the income tax legislation. I know that the people of Canada are very much interested in that.

The Acting Speaker (Mr. Turner): Order, please. Will the hon. member please come to his point of order?

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I was just developing it, Mr. Speaker. I was saying that there are a number of pieces of legislation on the government's list that are important. As you will recall, Mr. Speaker, there is awaiting second reading, which is of some significance, a bill arising out of the budget, Bill C-56, income tax bill No. 2. That bill contains the infamous, ridiculous, and retrograde step with regard to life insurance policy gains. I am sure there are members of the House who would like to deal with that particular bill. There are some amendments to the Fisheries Act—

The Acting Speaker (Mr. Turner): Order. The hon. member for Grenville-Carleton (Mr. Baker) has the floor for the purpose of raising a point of order. I suggest that he get to the point of order rather soon.

Mr. Baker (Grenville-Carleton): There are the Fisheries Act amendments which are now out of committee. We would be prepared to deal with that, except there is no fisheries minister here. My point of order—

Mr. MacFarlane: Where is your fisheries critic?

Mr. Baker (Grenville-Carleton): Our critic is available.

Mr. MacFarlane: Where is your finance critic?

Mr. Baker (Grenville-Carleton): Our critic is available.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Grenville-Carleton has the floor. I wish he would get to his point of order rather soon.

Mr. Baker (Grenville-Carleton): The critics to whom the hon. member refers are available. I commend to the government that it consider going ahead with metric conversion because that is something which has occupied its attention very much. We are ready for that.

In conclusion, let me say this: it is important that we do not proceed with Bill C-49 right now because of the importance of the legislation. Second, the minister is not here. Third, there has not been the normal consultation. Fourth, unfortunately for us, certainly not for the institution of parliament, the legislative program has proceeded much too quickly and, indeed, beyond what was the understanding with respect to that legislative program.

There may be other members who will wish to speak to this point of order which I have tried to put as succinctly as I can. I have mentioned the alternative pieces of legislation that the government might deal with tonight if it is ready.

The Acting Speaker (Mr. Turner): I suggest to the hon. member that that was not a point of order but a good speech.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I hope I can do as well as the hon. member for Grenville-Carleton (Mr. Baker) in terms of his point of order.

An hon. Member: Speak to the bill.

Mr. Alexander: I can speak to the bill.

The Acting Speaker (Mr. Turner): Will the hon. member please address the Chair?

Mr. Alexander: I was speaking through you, Sir. If you do not know what the bill is all about, Mr. Speaker, it is amendments to the Canada Pension Plan involving the splitting provisions and dropout provisions for the benefit of spouses. In other words, what the bill is attempting to do, for the benefit of the Liberal backbencher who does not know what it is all about, is to give some recognition to the role of women in the home. However, that is not what I want to get into right now.

What I want to get into is the fact that the hon. member for Grenville-Carleton and the hon. member for Winnipeg North Centre (Mr. Knowles) have both put their fingers on the point that concerns me. I was sitting on the other side of the House speaking with one of my Liberal friends, and I do have a few on the other side, determining what we were going to do tonight as a result of a number of motions on Bill C-27. He was trying to tell me there were 13 or 15. I tried to point out to him there were 14 amendments which would call for a vote on each one.

All of a sudden it dawned on me I was hearing a number, something like C-49. I immediately thought that was a responsibility which was mine. I thought that could not be, because there had been no discussion between the House leaders, which is the usual way that bills come before this House in terms of report stage and/or third reading.

Mr. Goyer: Are you for or against the bill?

Mr. Alexander: I hear the Minister of Supply and Services (Mr. Goyer) intervening, but I cannot hear him. I wonder if he would speak out a little louder.

Mr. Goyer: Are you for or against the bill?

Mr. Alexander: As I was saying, much to my surprise I had to run over here in order to determine what was going on. Then I listened with great interest to what my hon. friend from Winnipeg North Centre said. He is always on the ball when it comes to the legislative pussyfooting which we encounter as a result of the government's incompetence.

• (2140)

I am surprised that the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) should have said, "Oh well, it doesn't really matter—

Mr. Goodale: I did not say that. I announced it this afternoon. It is apparent you are not ready.

Mr. Alexander: —we are all prepared and it was assumed that if we got rid of the Bretton Woods bill and another bill dealing with finance we would automatically move to Bill C-49." That is a lot of nonsense.

An hon. Member: Call the bill!

Mr. Alexander: Moving to Bill C-49 calls for the attention of the government House leader.

Mr. Baldwin: And the minister.

Mr. Alexander: And of the minister.

I have nothing to say against the parliamentary secretary. I think he knows his job. At any rate he gets paid enough for doing it. But I do not want to deal with the parliamentary secretary, and that is my right. I know the Minister of National Health and Welfare (Mr. Lalonde) would like to introduce this bill himself, primarily because of his concern about the attitude of Ontario, and that is my province. During the committee stage, which the hon. member for York East (Mr. Collenette) was not at, the minister told the committee that it was important to look into the position of the Ontario government, because I know, Mr. Speaker—

An hon. Member: It is 9.45.

Mr. Alexander: Not quite. I have not finished. The problem of Ontario is one of extensive concern—

The Acting Speaker (Mr. Turner): I suggest to the hon. member for Hamilton West (Mr. Alexander) that he is off on the wrong track. He should return to the subject of the point of order.

Mr. Alexander: I can readily understand, Sir, that as a former engineer you have never forgotten your background, the importance of staying on the track, and I will try to stay on the track while I prove my point. In short, it is most unfair for the parliamentary secretary to try to bamboozle us, or blackmail us—

Some hon. Members: Order!

Mr. Alexander: —and I will not stand for that kind of nonsense.

Mr. Goodale: It is because you are not ready.

* * *

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed consideration of Bill C-27, to establish a Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

The Acting Speaker (Mr. Turner): The House will now proceed to the taking of the deferred divisions on Bill C-27, pursuant to the order made this day. We will proceed with the disposition of these motions in the order listed at the back of today's order paper, followed by motions Nos. 23 and 24 deferred this day.

Call in the members.

And the division bells having been rung.

Mr. Speaker: Order, please. The divisions are on the motions that have been deferred at the report stage of Bill C-27. I have some indication from the hon. member for Winnipeg North Centre (Mr. Knowles) that he has a point of order concerning the combining of some votes.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. I believe that unless some combining is done, we will now have 15 votes to record. We are prepared in three cases to let the vote on one of our motions be considered as also a vote on another. The three cases are as follows: we would be prepared to have the vote on motion No. 8 to be considered as covering motion No. 10, for the vote on motion No. 11 to be considered as covering motion No. 30, and for the vote on motion No. 13 to be considered as covering motion No. 17.

Mr. Speaker: The vote is now on motion No. 2 in the name of the hon. member for Hamilton West (Mr. Alexander).

The House divided on motion No. 2 (Mr. Alexander), which was negatived on the following division:

[The Acting Speaker (Mr. Turner).]

(Division No. 54)

YEAS

Messrs.

Alexander
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Brewin
Clark (Rocky Mountain)
Coates
Crosbie
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Masniuk
McCain
McCleave
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whiteway
Whittaker
Wise
Woolliams—(68).

NAYS

Messrs.

Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Dawson
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McRae
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Philbrook
Pinard
Portelance
Prud'homme
Railton
Reid
Robinson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Turner
Watson
Wood
Yanakis
Young—(96).

● (2210)

Mr. Speaker: I declare motion No. 2 lost.

The question is therefore on motion No. 7, which also disposes of motion No. 9 and motion No. 22.

The House divided on motion No. 7 (Mr. Cullen) which was agreed to on the following division:

(*Division No. 55*)

YEAS

Messrs.

Alexander
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark
(Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lambert
(Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy
(Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(153).

NAYS

Messrs.

Blackburn
Brewin
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles
(Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

Employment and Immigration

Mr. Speaker: Accordingly, motions Nos. 9 and 22 are also carried.

Motion No. 9 (Mr. Cullen) agreed to.

Motion No. 22 (Mr. Cullen) agreed to.

Mr. Speaker: The question is now on motion No. 8, which will also dispose of motion No. 10, both motions standing in the name of the hon. member for Brant (Mr. Blackburn).

The House divided on motion No. 8 (Mr. Blackburn) which was negatived on the following division:

(*Division No. 56*)

YEAS

Messrs.

Blackburn
Brewin
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles
(Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

NAYS

Messrs.

Alexander
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark
(Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lambert
(Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey

Messrs.

Rooney	Stanbury	Watson
Roy (Laval)	Stanfield	Whiteway
Schellenberger	Stevens	Whittaker
Schumacher	Stewart (Marquette)	Wise
Scott	Stewart (Cochrane)	Wood
Sharp	Towers	Woolliams
Smith (Saint-Jean)	Turner	Yanakis
		Young—(153).

● (2220)

Mr. Speaker: I therefore declare motion No. 10 also lost.

Motion No. 10 (Mr. Blackburn) negatived.

Mr. Speaker: The question is upon motion No. 11 (Mr. Rodriguez) which will also dispose of motion No. 30 in the name of the hon. member for Sault Ste. Marie (Mr. Symes). Mr. Rodriguez, seconded by Mr. Nystrom, moved:

That Bill C-27, an Act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be amended in Clause 33 by striking out line 34 at page 14 and substituting the following therefor:—

Some hon. Members: Order, order.

Some hon. Members: Out!

Mr. Speaker: Order, please.

Some hon. Members: Out!

Mr. Speaker: Order, please.

"(*c*) fifty-one weeks of benefit have been paid".

Those in favour of the motion will please rise.

Mr. Coates: Mr. Speaker, I rise on a question of privilege. There should be some clarification here about votes. A member, after he voted, and before the vote was completely tallied and the count was taken, stood up and left the Chamber. A few minutes ago he came back in and another member has gotten up and left, before the vote was announced. I think that we should know whether or not, when a vote is taken—

Some hon. Members: Out!

Mr. Coates: —a member should sit in his seat—

Some hon. Members: Out!

Mr. Speaker: Order, please. Hon. members should understand that there is no restriction on a member entering or leaving the Chamber during the hearing of a question of privilege; there is during the taking of a vote. The clarification that is sought is: When does the taking of the vote commence? The taking of the vote commences with the reading of the motion. I was putting the question.

The relevant Standing Order is Standing Order 12(2):

When Mr. Speaker is putting a question, no Member shall enter, walk out of or across the House, or make any noise or disturbance.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member referred to—

An hon. Member: Comox-Alberni.

Mr. Speaker: —the hon. member for Comox-Alberni (Mr. Anderson), had entered the Chamber wrongfully. I indicated to him on a point of order that he ought to leave the Chamber, and he did. While I was putting the question, the hon. member for Cumberland-Colchester North (Mr. Coates) sought the floor and got up on a question of privilege, during which the hon. member re-entered the Chamber.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member cannot have it both ways. During the putting of a question, there can be no taking of points of order or questions of privilege. During the putting of this question, I saw the hon. member for Cumberland-Colchester North. Surely if I am able to see him for a question of privilege I am not on the taking of a vote. We must be either taking the question of privilege or taking the question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. For clarification of what is involved in putting the question, the putting of the question begins with the reading of the motion and ends when I receive the tabulation and make a declaration.

● (2230)

Mr. Coates: For your information, Mr. Speaker—

Mr. Speaker: Order. I have heard the hon. member for Cumberland-Colchester North on his question of privilege. Order, please. For the sake of clarification in the putting of this question I am prepared to ask the hon. member to abide by the sentiment of the House but not, in my opinion, by the technical rules of the House, and leave the Chamber during the taking of this next vote.

Mr. Coates: If you would just hear my question of privilege—

Mr. Speaker: Order. I have heard the hon. member for Cumberland-Colchester North.

Mr. Coates: Hear my question!

Mr. Speaker: With respect, the question of privilege raised by the hon. member was concerned with what is involved in the taking of a vote. I have indicated that it begins with the putting of the question and ends with my declaration of the motion being either carried or lost.

Mr. Coates: Mr. Speaker, the last count is wrong. My question of privilege relates to the fact that before the last vote was completed the hon. member got up—

Some hon. Members: Turn on the microphone!

Mr. Speaker: Order, please. My distinct recollection is that while I was reading the motion—

Mr. Coates: The second time! He has been out twice!

Mr. Speaker: This is the first time I have been aware that the hon. member or any other hon. member has entered or left the Chamber twice. I am prepared to hear points of order.

The hon. member raised a question of privilege and asked me what was involved in the taking of a vote. And I answered him. I have not heard any objection that the vote is wrong up to this point. If there is one, I am prepared to hear it.

Mr. Coates: Mr. Speaker, during the time of the taking of the last vote the hon. member for Comox-Alberni got up and walked out of the Chamber before the vote was completed. That was why I asked to know whether or not the hon. member's vote was counted having regard to the fact he was not in the Chamber at the time the vote was completed.

Your Honour got up and read me the motion. During that period of time the hon. member walked back in and took his seat. It had nothing to do with the subject of my original question of privilege which was the fact that the hon. member did not wait until the vote was completed before walking out of the Chamber. I asked you, Sir, whether his vote was counted and whether the vote which the Clerk indicated was the vote was in fact the vote.

Some hon. Members: Question!

Mr. Speaker: Of course if the hon. member puts it to me in that way—and I cannot verify it from the Chair—if there is no argument or discussion to the contrary—

Some hon. Members: Ask him!

Mr. Speaker: If there is nothing said to the contrary I have to accept the hon. member's statement. I will therefore ask the Clerk whether the vote of the hon. member for Comox-Alberni was registered in the division on the last motion.

The count shows that those voting against the motion included the hon. member for Comox-Alberni. The undisputed information I have is that before the vote was properly announced the hon. member for Comox-Alberni left the Chamber. The record will have to show that the hon. member for Comox-Alberni was not correctly recorded in the vote.

Some hon. Members: Hear, hear!

The question now before the House is upon motion No. 11 in the name of the hon. member for Nickel Belt (Mr. Rodriguez).

The House divided on motion No. 11 (Mr. Rodriguez), which was negatived on the following division:

Employment and Immigration

(Division No. 57)

YEAS

Messrs.

Blackburn
Brewin
Douglas
(Nanaimo-Cowichan-
The Islands)
Firth
Gilbert
Knowles
(Winnipeg
North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

NAYS

Messrs.

Alexander
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark
(Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lambert
(Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy
(Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(153).

● (2240)

Mr. Speaker: I therefore declare motions Nos. 11 and 30 negatived.

Motion No. 30 (Mr. Symes) negatived.

Mr. Speaker: The question therefore is upon motion No. 15.

Mr. Alexander: Mr. Speaker, with all due respect, motion No. 15 disposes of motions Nos. 29 and 32 introduced by the government.

Mr. Speaker: Motion No. 13 will dispose of motion No. 17. Therefore I called motion No. 15 which precedes No. 17 in numerical order.

Mr. Alexander: With all due respect my understanding was that motion No. 15 disposes of motions Nos. 29 and 32.

Mr. Speaker: Motion No. 15 disposes of motions Nos. 29 and 32, and is in the name of the Minister of Manpower and Immigration (Mr. Cullen).

The House divided on motion No. 15 (Mr. Cullen), which was agreed to on the following division:

(*Division No. 58*)

YEAS

Messrs.

Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark (Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lambert (Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy (Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(154).

NAYS

Messrs.

Blackburn
Brewin
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

Mr. Speaker: There has been an indication that motion No. 13 will also dispose of motion No. 17. The question therefore is on motion No. 13 in the name of the hon. member for Winnipeg North (Mr. Orlikow).

The House divided on motion No. 13 (Mr. Orlikow) which was negatived on the following division:

(*Division No. 59*)

YEAS

Messrs.

Blackburn
Brewin
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

NAYS

Messrs.

Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark (Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lambert (Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)

Messrs.

Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy (Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(154).

● (2250)

Mr. Speaker: I therefore declare motions Nos. 13 and 17 lost.

Motion No. 17 (Mr. Leggatt) negatived.

Mr. Alexander: Mr. Speaker, in light of the fact that the vote on motion No. 13 disposed of motion No. 17, and in light of the fact that a vote on motion No. 17 would have disposed of motion No. 6, the defeat of motions Nos. 13 and 17 wiped out motion No. 6. The question should now be put on my motion No. 16, which will dispose of motion No. 5 which is also in my name.

An hon. Member: Say all that again.

Mr. Speaker: The same result, then, is entered for motion No. 6 which was just entered for motions Nos. 13 and 17.

Mr. Alexander: Right.

Motion No. 6 (Mr. Rodriguez) negatived.

Mr. Speaker: The question now, it is suggested, is upon motion No. 16 which will also dispose of motion No. 5. Both motions are in the name of the hon. member for Hamilton West (Mr. Alexander).

Mr. Cullen: Mr. Speaker, I am wondering about motion No. 14.

Mr. Speaker: If there has been no change in the order of deferral of these motions, the question is now upon motion No. 14.

The House divided on motion No. 14 (Mr. Symes) which was negatived on the following division:

(Division No. 60)

YEAS

Messrs.

Blackburn
Brewin
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(10).

NAYS

Messrs.

Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark (Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lambert (Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy (Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(154).

● (2300)

Mr. Speaker: I therefore declare motion No. 14 lost.

The question is on motion No. 16 which will also dispose of motion No. 5.

The House divided on motion No. 16 (Mr. Alexander) which was negatived on the following division:

Employment and Immigration

(Division No. 61)

YEAS

Messrs.

Alexander
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Brewin
Clark (Rocky Mountain)
Coates
Crosbie
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Masniuk
McCain
McCleave
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whiteway
Whittaker
Wise
Woolliams—(68).

NAYS

Messrs.

Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Dawson
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McRae
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Philbrook
Pinard
Portelance
Prud'homme
Railton
Reid
Robinson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Turner
Watson
Wood
Yanakis
Young—(96).

Mr. Speaker: I declare the motion lost. This division also disposes of motion No. 5.

Motion No. 5 (Mr. Alexander) negatived.

Mr. Speaker: The question is on motion No. 18.

[Mr. Speaker.]

The House divided on motion No. 18 (Mr. Alexander) which was negatived on the following division:

(Division No. 62)

YEAS

Messrs.

Alexander
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Brewin
Clark (Rocky Mountain)
Coates
Crosbie
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Masniuk
McCain
McCleave
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whiteway
Whittaker
Wise
Woolliams—(68).

NAYS

Messrs.

Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Dawson
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McRae
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Philbrook
Pinard
Portelance
Prud'homme
Railton
Reid
Robinson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Turner
Watson
Wood
Yanakis
Young—(96).

● (2310)

Mr. Speaker: I declare motion No. 18 lost.

The question is therefore on motion No. 20.

The House divided on motion No. 20 (Mr. Leggatt) which was negatived on the following division:

(Division No. 63)

YEAS

Messrs.

Blackburn
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(9).

NAYS

Messrs.

Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark (Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lambert (Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy (Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(154).

Mr. Speaker: I therefore declare motion No. 20 lost.

The question is on motion No. 21.

The House divided on motion No. 21 (Mr. Rodriguez) which was negatived on the following division:

(Division No. 64)

YEAS

Messrs.

Blackburn
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez—(9).

NAYS

Messrs.

Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clark (Rocky Mountain)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Crosbie
Crouse
Cullen
Cyr
Darling
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Isabelle
Jarvis
Jelinek
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lambert (Edmonton West)
Landers
Lang
Laniel
Lapointe
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
Marceau
Marchand
Masniuk
McCain
McCleave
McKinley
McKinnon
McRae
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Philbrook
Pigott (Mrs.)
Pinard
Portelance
Prud'homme
Railton
Reid
Ritchie
Robinson
Roche
Rompkey
Rooney
Roy (Laval)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Towers
Turner
Watson
Whiteway
Whittaker
Wise
Wood
Woolliams
Yanakis
Young—(154).

● (2320)

Mr. Speaker: I therefore declare motion No. 21 lost.

The question is on motion No. 23, in the name of the hon. member for Yorkton-Melville (Mr. Nystrom).

The House divided on motion No. 23 (Mr. Nystrom) which was negatived on the following division:

(Division No. 65)

YEAS

Messrs.

Alexander
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Clark (Rocky Mountain)
Coates
Crosbie
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Masniuk
McCain
McCleave
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whiteway
Whittaker
Wise
Woolliams—(67).

NAYS

Messrs.

Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Dawson
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McRae
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Philbrook
Pinard
Portelance
Prud'homme
Railton
Reid
Robinson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Turner
Watson
Wood
Yanakis
Young—(96).

[Mr. Speaker.]

Mr. Speaker: I therefore declare motion No. 23 lost.

The question is on motion No. 24, in the name of the hon. member for Hamilton West (Mr. Alexander).

The House divided on motion No. 24 (Mr. Alexander) which was negatived on the following division:

(Division No. 66)

YEAS

Messrs.

Alexander
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Clark (Rocky Mountain)
Coates
Crosbie
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
Masniuk
McCain
McCleave
McKinley
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Peters
Pigott (Mrs.)
Ritchie
Roche
Rodriguez
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whiteway
Whittaker
Wise
Woolliams—(67).

NAYS

Messrs.

Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Dawson
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Lavoie
Leblanc (Laurier)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
McRae
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Philbrook
Pinard
Portelance
Prud'homme
Railton
Reid
Robinson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Turner
Watson
Wood
Yanakis
Young—(96).

• (2330)

Mr. Speaker: I therefore declare motion No. 24 lost.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved that Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: At the next sitting of the House.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Because of the unfortunate circumstance which has caused a change in the usual House sittings for tomorrow, is the government House leader prepared to tell us what we will be dealing with tomorrow morning at 11 o'clock, and at eight o'clock tomorrow night?

Mr. MacEachen: Mr. Speaker, in the morning we will deal will Bill S-3, Bill C-26, and Bill C-38. If we dispose of those in the morning, in the evening we will deal with Bill C-49, Bill C-20, and Bill C-51.

Mr. Speaker: Order, please. It being after 10:30 p.m., this House stands adjourned until eleven o'clock tomorrow morning.

At 11:38 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, June 28, 1977

The House met at 11 a.m.

[*English*]

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, I rise on a point of order, concerning our proceedings between now and one o'clock. Since a number of members will be leaving for the funeral of our late colleague I think it would be agreeable, if any votes arise during the course of debate this morning, to defer them until later in the day or to a commonly agreed on time.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

• (1110)

GOVERNMENT ORDERS

[*English*]

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT TO CLARIFY DEFINITIONS

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill S-3 to amend the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Clarke: Mr. Speaker, I am sorry if I am out of order. Are we going to the debate now?

Mr. Speaker: The debate will be on the third reading motion which I will now put.

Mr. MacEachen (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, the debate on this bill on second reading was very short. Referring to the remarks of the minister at that time, in his closing paragraph he said:

> This is a bill of some technical complexity. The Superintendent of Insurance and other officials will be readily available to the committee for the purpose of considering this revision.

I also made a contribution to the debate at that time. There was a short reference from the hon. member for Winnipeg North Centre (Mr. Knowles) who simply said:

> Mr. Speaker, this 60-page bill is obviously one of such a technical nature that the best place for it to be considered is in the Standing Committee on Finance, Trade and Economic Affairs. We are therefore prepared to vote for the motion to send the bill to that committee for detailed study.

The reason I mention those remarks is that the bill is indeed complex and did indeed go to the Standing Committee on Finance, Trade and Economic Affairs where it received due consideration. It would have been extremely helpful at this time to have been able to refer to the proceedings of the committee. However, the hearing in the committee took place last week on Monday, June 20, and as yet the proceedings have not been published. In any event, they have not been received by the members of the committee.

There were some amendments put there. I note that the bill will eventually have to be referred back to the other place for the adoption or in any event consideration of the amendments put by the standing committee of this House. The bill received a fairly thorough examination by the Standing Committee on Banking, Trade and Commerce of the other place. Reference to those sections that are being amended show that there was some concern about the practices that had been in place in the insurance industry.

As I pointed out in an earlier comment, accounting is an art, not a science. Being an accountant myself, I speak with some knowledge of this. Over the years accountants have been practicing their art instead of dealing with things as a science. Therefore, when statements of various insurance companies were produced, they were not always in a form which was easily comparable. It made it difficult for officials who had to deal with reports of insurance companies and the public to know exactly what was comparable.

The accounting profession is always flexible and interested in forward-looking change. The accounting profession was instrumental in putting forth the suggestions which led to the amendments on the reporting practices of insurance companies. I think we can agree wholeheartedly with a practice that will make it easier for officials and the public when considering statements. An interesting feature of the practices followed before was that the more business a new insurance company wrote, the greater the losses shown on its statements because of the regulation that insurance companies could not show big

losses. In other words, their ratios had to be proper. The companies were actually restricted in the amount of business they could write.

This arose from the fact that the cost of issuing a policy—the sales commissions, advertising and other expenses related to that—had to be written off in the year that the policy was issued, although the income relative to the policy was not reflected until later financial periods. In a sense, that was an unfair treatment. Although they were certainly costs, they were in the nature of capital costs. Other businesses were permitted, and in fact obliged, to set up capital costs and write them off over the period in which the revenue was being earned. The fact that that practice is going to be followed by insurance companies is a good idea.

The bill also makes some changes with regard to the investments insurance companies are permitted. There was not unanimous agreement in the committee that these were necessarily good changes. Four per cent of an insurance company's real estate investments can now be in one real estate project. When you consider that a company can have only 15 per cent of its investments in real estate, then in the case of some big companies four per cent of that 15 per cent can represent a very large project indeed.

I found it questionable as to whether the insurance companies should be allowed to, in effect, compete in the development field. We found that insurance companies, as part of their real estate investments, were in the practice of buying real estate. In order to have a revenue producing asset on their books, they would lease that piece of real estate to a developer. The developer would come up with a plan for putting up a revenue building on that piece of property.

The practice often followed was that when the developer needed a mortgage, he would go back to the same insurance company which owned the land and get a mortgage on the property. The effect of it was that if the developer was very careful in his building, he could actually have cash flow out of the project. After all, he invested no money in the land. Although the mortgage is restricted to 75 per cent of the value of the project, the value is determined before construction begins. If savings can be effected during construction, he can actually cash out of the deal. I know there would be a long term lease as security for the insurance company. However, the policyholders' as well as the shareholders' interests are not being best served by having the insurance companies make such a total kind of investment in revenue real estate.

The Superintendent of Insurance told us that there were margins built in and that he knew of no problems. However, it is within the memory of all members of this House, I am sure, that even on projects where the developer owns the land, the government's own Central Mortgage and Housing Corporation has had some serious problems with projects that have been managed improperly after development. Three come to mind. There is the project in Hamilton which has caused a good deal of problem to the Central Mortgage and Housing Corporation. Approximately $7 million of taxpayers' money was lent out, and now CMHC is having to foreclose. The title is in a terrible mess, and it will take them a long time to get out of it. Then there was the Rochdale fiasco in Toronto, which has been worked out, probably not without some loss. There is also the Quai d'Orsay property in Ottawa, which was mentioned in the House recently, and there are serious problems there.

● (1120)

In committee we were told and forced to accept the fact that this change was a good thing and that it would be going ahead regardless of that. There are no other particular areas we need to consider at this stage of the bill. I should like to repeat that it was a great inconvenience not to have the minutes of the committee hearings available to us at this time. I am sure there are other matters which my colleagues will put forward.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as the hon. member for Vancouver Quadra (Mr. Clarke) has said, the report of the proceedings of June 20, when this bill was considered in committee, plus the reprinted version of the bill have not reached our offices. I checked ten minutes ago, and they have not turned up. The amendments appear in fragmentary form in the twelfth report of the committee in *Votes and Proceedings*. There are seven pages of amendments which are frankly meaningless unless related to the bill. They have to be incorporated into the bill before they can mean anything to anyone who wants to find out what changes have been made.

In so far as the House leaders are concerned, this bill should not have appeared at this time, because the material has not been prepared for availability in the House. As a matter of fact, the hon. member for Vancouver Quadra, myself, and the parliamentary secretary are really the only persons in the House who have any knowledge of the bill. The parliamentary secretary must assume some responsibility for allowing his House leader to propose this piece of legislation for discussion at this time.

Today is June 28, and there is no reason why we should not have had this material available to us.

The other House is awaiting this bill to consider the amendments made to it. The amendments are of a very technical nature, but there is nothing too contentious about them. From a procedural point of view and the handling of business in this House, this bill is an example of just how not to do things. One could put on a filibuster this morning by objecting to the House being asked to proceed on material which is not before it, since there is no printed copy of the bill available to us.

The hon. member for Vancouver Quadra has spoken about some of the information that was gleaned from the superintendent of insurance and his assistants at the time of the committee examination. I do not want to go into that. However, the point I want to stress is the reason for the seven pages of amendments: we are amending two parts of one act and a second act to say the same thing. The insurance industry in this country is governed by the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act. According to Mr. Humphrys, the superintendent of

insurance, within two years it will be possible to bring in a Canadian insurance companies act which will cover the operations of all of our insurance companies and will telescope a great amount of legislation into the one act. Therefore, amendments will be much simpler and we will put our insurance industry on a much sounder legislative footing.

The amendments from the Senate, and as they were amended in the committee, will put Canadian insurance companies, and particularly the newer companies, on a much sounder footing. As the hon. member for Vancouver Quadra explained, there are tremendous front-end expenses on the writers of new businesses. The early premiums went to write off these expenses and did not provide any funds for reserve or for investment. This was something which took all members of the committee by surprise, that the bulk of new business written by the insurance industry, whether life, automobile or general insurance, in the early years did not make any profit for the companies. In other words, new business contributed to the annual losses. This has led to a rather paradoxical situation—the more business you do, the more difficult position you are in.

From an investment point of view, there was a demand for large insurance policies in this country and there was no money available to handle the business. That is why, in the main, during the past few years we have seen such a high proportion of the insurance industry, particularly general and commercial insurance and not life, handled by foreign interests. The market was there, but Canadian insurance agencies and brokers had to find money abroad in the general insurance fields.

With these amendments, it will be possible to amortize these front-end expenses over a wider period of time. Hopefully this will put the Canadian insurance industry on a much sounder financial basis.

In conclusion, I hope progress will be made in achieving a uniform Canadian insurance companies act, which should be available for parliament to consider within 18 months to two years time. I should commend these amendments to hon. members so that they can go to the Senate and the bill will be concurred in by the House of Commons.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is the conclusion of the third reading of this bill, and I want to thank all members for the difficult work they did, particularly in dealing with so many complicated amendments. This is of tremendous importance to the investment community of Canada and therefore of importance to insurance policyholders across the country. I wish also to acknowledge and agree with the sentiments expressed by hon. members opposite having to do with the failure of the committees branch to produce the report which ought really to be before us together with a reprinted bill. It ought to be in our hands as we look at a technical bill of this nature which has been changed so greatly in committee. The explanation I have from the committees branch is that they are overloaded with bills and amendments. Nevertheless, it is regrettable we cannot have the reprinted bill before us.

• (1130)

An hon. Member: Then you should not have scheduled this hearing.

Mr. Kaplan: The hon. member observes that we should not have scheduled this hearing. But I would point out that hopefully we are close to the recess and that, because of the extent to which the bill has been amended it has to go to the other place again and all this has to be done before the summer recess. So, with my thanks to hon. members for their support I hope we can move, now, to third reading.

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

* * *

GOVERNMENT ORGANIZATION (SCIENTIFIC ACTIVITIES) ACT 1976

CONCURRENCE IN SENATE AMENDMENTS

Hon. Allan J. MacEachen (for the Prime Minister) moved that the amendment made by the Senate to Bill C-26, respecting organization of certain scientific activities of the Government of Canada be read the second time and concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Can someone on the government side give us a brief explanation of this amendment? It is an amendment made in the Senate and it is very simple—it increases the number on a certain body from three to four and indicates who the fourth person will be. Is this something the Senate thought up itself, or does it arise from an oversight on the part of government which has now been corrected?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this is a minor legal amendment to bring Bill C-26 in line with Bill C-53. When the legislation went to the Senate the bill read:

—three other persons, one each representing and nominated by the Canada Council, the Social Sciences and Humanities Research Council, the Association of Universities and Colleges of Canada . . .

The Senate proposes four persons and reads:

—four other persons, one each representing and nominated by the Canada Council, the Social Sciences and Humanities Council, the Association of Universities and Colleges of Canada and the National Research Council of Canada.

That has been proposed by the Senate and accepted by the government.

Mr. Knowles (Winnipeg North Centre): What the minister has told us is quite obvious from reading the bill and reading the amendment. He has not yet answered my question. Was it an oversight that it was not there in the first place or did Their Honours in the Senate think it up themselves?

Mr. MacDonald (Cardigan): I would say the Senate initiated it.

Mr. Walter Baker (Grenville-Carleton): I heard the minister mention that this was a legal amendment. I would hope the

government would never propose concurrence in an illegal amendment, though under this administration it is always possible. In any event, we have had an opportunity to review the matter and are prepared to let the amendment go.

Motion agreed to, amendment read the second time and concurred in.

* * *

FISHERIES ACT

MEASURE TO AMEND THE ACT AND THE CRIMINAL CODE IN CONSEQUENCE THEREOF

The House proceeded to the consideration of Bill C-38, to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, as reported (with amendments) from the Standing Committee on Fisheries and Forestry.

Mr. Speaker: There are three motions before us at the report stage. Motion No. 1, in the name of the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), motion No. 2 in the name of the hon. member for New Westminster (Mr. Leggatt), which appears to be acceptable from a procedural point of view, and motion No. 3 in the name of the Minister of Fisheries and the Environment (Mr. LeBlanc). The Chair has some reservations about the regularity of motions one and three and perhaps we could now proceed to a discussion on the procedural aspects.

Mr. Fleming: Thank you, Mr. Speaker. It has been brought to my attention that Your Honour is somewhat concerned about the procedural regularity of motion No. 1. I believe the government does support this amendment and, though members on the other side can speak for themselves, that there is agreement generally that I should ask for unanimous consent to accept the motion if that would be in order.

The situation is much the same with respect to motion No. 3. I submit that this amendment affects only one clause of Bill C-38 and is narrow in its scope. Moreover, that particular part of the bill has been amended and has been opened up. I know that the amendment is the result of a desire by all parties, in committee—I am speaking about motion No. 3. There has been a desire expressed by all parties to see it moved and it follows action taken by the minister to accommodate the concern of the provinces.

While I am on my feet may I bring a further amendment to Your Honour's attention? If it is in order, I should like to table copies and seek unanimous consent for its acceptance. I should like to move an additional amendment concerning the question of liability in relation to marine pollution. During the committee sessions, additional amendments were included to provide, hopefully, for recourse by fishermen against loss of income caused by pollution. Unfortunately, we did not differentiate between marine pollution from ships, in respect of which legislative provision already exists and for which a special marine pollution claims fund exists, and land-based pollution, the major source in respect of which we were seeking to provide protection for fishermen.

This matter was brought to our attention by the Dominion Marine Association which also recommended that the inclusion of the provision as it presently stands could cause difficulty to the shipping industry when obtaining insurance coverage. In view of this, officials have been working with the Department of Transport and we now have a further revision to propose to Bill C-38, which I feel will clarify these new liability provisions. I would now like to present such a motion with the unanimous consent of the House.

The motion reads as follows:

That Bill C-38 be amended in subclause 7(3) thereof by adding thereto, immediately following line 16 on page 7, the following subsection:

"(10.5) Notwithstanding anything in this section, subsections (10) and (10.1) do not apply in respect of any deposit of a deleterious substance that, within the meaning of Part XX of the Canada Shipping Act, constitutes a discharge of a pollutant caused by or otherwise attributable to a ship."

● (1140)

Mr. Crouse: Mr. Speaker, it is not my intention to refer to all the amendments listed on pages XII and XIII of today's order paper since I am not too certain that it would be in order to speak to them at this time. Some of my colleagues have indicated their intention to speak on motions Nos. 1 and 2 however, and if I am in order I should like to confine my remarks to motion No. 3. Is that satisfactory?

Mr. Speaker: Order, please. We ought to regularize the proceedings a little bit. There has been some indication of positions to be taken in respect of these four motions. I wonder if we ought not to take them one at a time and sort out the position on each.

Mr. Fleming: Mr. Speaker, before you take this point by point, I should bring to your attention a consequential amendment. The table already has a copy of this and we would need unanimous consent of the House to introduce it. It merely seeks to bring in line the French text of clause 31(1) with the English text in order to reflect the agreed intent of the subclause. I would therefore move:

That the French version of clause 5 of Bill C-38 be amended by striking out line 12 on page 3 thereof and by substituting therefore the following:

«équilibre d'une manière préjudiciable»

Mr. Speaker: Order, please. The parliamentary secretary has asked for the consent of the House to move an additional motion. That could be done only with unanimous consent, of course, and it may be appropriate to find out now whether there is unanimous consent before we go to consideration of the other motions in order that members might prepare themselves for discussion on the motion knowing that the House has given consent that it be moved.

The House is being asked now only to give consent to the moving of the motion by the parliamentary secretary. Consequential upon that amendment would be an editorial change to the French text that the hon. parliamentary secretary just read to the House, as follows:

That the French version of clause 5, bill C-38 by striking out line 12 on page 3 thereof and substituting therefor the following:

«équilibre d'une manière préjudiciable»

The motion cannot be moved at this stage without notice unless it has the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker—

Mr. Speaker: Order, please. There is not unanimous consent.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker—

Mr. Speaker: Order, please. I want to be clear. I am not withholding unanimous consent on the indication of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). It is on the indication of another hon. member that unanimous consent is not forthcoming and therefore the motion cannot be put at this time.

The hon. member for Moncton (Mr. Jones) on a point of order.

Mr. Jones: A point of order, Mr. Speaker. The parliamentary secretary made his point clear this morning. He went to other members of the House concerned with this particular bill but was not courteous enough to come to me. I do not see how I can be courteous enough to give unanimous consent under the circumstances.

Mr. Fleming: Mr. Speaker, I want to apologize. Unfortunately, I did not know until just before a series of events last night that this bill would come up this morning. At that time I tried to contact several members and it is my fault that I did not contact the hon. member for Moncton (Mr. Jones). I sincerely apologize for it.

Mr. Jones: Mr. Speaker, with that explanation I am prepared to give consent.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands on a point of order.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, we are quite prepared to give unanimous consent to have the motion introduced but I do not think we should proceed to debate it. I think it should be placed in numerical order and be the fourth item dealt with. In the meantime, perhaps the parliamentary secretary could provide a copy for each party if not each member so that we can look at it before we discuss it. Otherwise, we have no objection.

Mr. Speaker: Order, please. My idea in disposing of the introduction of the motion upon unanimous consent first was that while the other motions are being considered, that very thing could take place and I am sure it will. Therefore, the motion is now moved by the hon. Parliamentary Secretary to Minister of Fisheries and the Environment (Mr. Fleming) and seconded by Mr. MacDonald (Cardigan) and will form part of our deliberations at report stage. Perhaps communications can take place concerning the debate that will follow after the first three motions have been discussed.

Motion No. 1 standing in the name of the hon. member for Grand Falls-White Bay-Labrador reads:

That Bill C-38, An Act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be amended by deleting Clause 3 and substituting the following therefor:

"3. Sections 10 to 12 of the said Act are repealed and the following substituted therefor:

"10. No one shall with boat or vessel or in any other way during the time of fishing for seals knowingly or wilfully disturb, impede or interfere with any seal fishery or prevent or impede the shoals of seals from coming into such fishery or knowingly or wilfully frighten such shoals.

11. Disputes between occupiers of seal fisheries concerning limits and the method of fishing or setting nets shall be decided summarily by any fishery officer or justice of the peace, by whom arbitrators may be appointed to assess damages and any damages so assessed or arising out of a repetition or continuance of the difficulty ordered to be remedied may be levied under the warrant of any justice of the peace."

There has been some preliminary indication of procedural concern with motion No. 1 in that it goes beyond the scope of the bill. The motion seeks to amend two sections of the existing Act not mentioned in the bill, namely sections 10 and 11 of the Fisheries Act. In addition, motion No. 1 appears to be irrelevant to Clause 3 of the bill which prohibits the catching of certain categories of fish. The motion deals with the interference in the seal fishery and provides a method of settlement of disputes arising therefrom. However, there is an indication of some desire on the part of the government to seek support for that amendment and to seek the consent of the House for its inclusion at this time.

Is there any indication whether that consent is forthcoming?

Mr. Fleming: Mr. Speaker, as I said earlier—and I am sure the other parties will speak for themselves—I think there will be unanimous consent to put this motion because of the importance of it to a particular group of workers in Canada.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there is one difficulty not alluded to and it may give us some concern. I am advised that there is a consent on the merits of the amendment but we have to be careful about the question of the royal recommendation. I am not privy to the problems of obtaining a royal recommendation but if one is required I think it should be obtained and that might give us some problems in terms of time.

● (1150)

Mr. Speaker: There will be discussion on any of the other motions.

Mr. Goodale: Mr. Speaker, I appreciate the concern which the House leader of the Conservative party has just raised. If the House would proceed with the other amendments in Bill C-38 at this time, I would undertake to consult with him and

officials of the House to determine whether in fact a royal recommendation is required. We will do our level best—since there seems to be a disposition in the House to accept the amendment—to have the recommendation in the hands of hon. members as quickly as possible.

Mr. Speaker: It is a rather severe procedural difficulty because in each case when we attempt to deal with these matters we are setting some precedents. Sometimes, even though there is a disposition in terms of the spirit and intent of the motion, I am sure there are some things the House can do by consent. However, I am concerned that we may be extending even that with respect to this measure and will find ourselves with a provision in an act to which it does not directly relate. In any case, I would like some time to reflect on the long range ramifications of attempting to deal with that situation which, in accordance with our precedents we cannot do procedurally. While we deal with other motions, there can be some consultation in that regard.

Mr. Rompkey: Mr. Speaker, I am not entirely clear on this. I am not as up to date as the House leader of the Official Opposition regarding the necessity for a royal recommendation. Let me simply make this point to you with regard to the intent of the government concerning this bill. I draw your attention in particular to section 69(1) and (2) of the same bill amending the Fisheries Act. Section 69(1) reads:

> The provisions of this act and the regulations that apply to any or all of Canadian fisheries waters, without anything in the context of such provisions indicating that they apply to any specified area of Canadian fisheries waters, shall, in relation to any fishing vessel on the High Seas,—

That is the way the Fisheries Act reads. The clause amending the Fisheries Act reads at this point:

> . . . in relation to any fishing vessel or aircraft on or over the High Seas—

Mr. Speaker: Order, please. I wonder if the hon. member would clarify for me from what part of the bill he is reading.

Mr. Rompkey: I am reading from section 69 of Bill C-38.

Mr. Speaker: Bill C-38 only has 22 clauses.

Mr. Rompkey: I am sorry, Mr. Speaker, I mean clause 19 on page 20.

Mr. Speaker: Which seeks to amend section 69 of the Fisheries Act?

Mr. Rompkey: Yes, Mr. Speaker. I am sorry if I confused you on that. The point is that the bill amended the act by adding the words "or aircraft" after "fishing vessels", and the words "or over" the high seas. It goes on to read:

> . . . that is subject to the jurisdiction of Canada, or any act or thing done or omitted to be done on, from or by means of such fishing vessel—

And again the words "or aircraft" are added at this point. I continue reading:

> . . . or aircraft, be deemed to extend and apply to the High Seas.

[Mr. Goodale.]

Subsection (2) reads:

> The governor in council may make regulations respecting fisheries located in waters other than Canadian fisheries waters applicable to vessels or aircraft—

The point is that the insertion of the words "or aircraft" could only be with regard to the jurisdiction and administration of the seal fishery. It was the intention of the government to protect the seal fishery in order to better manage it and better protect sealers in the lawful course of their work. That was the reason that that particular wording was inserted. Therefore, the argument is that this motion is in order because it is in line with the intention of the government to give greater protection to sealers as indicated by the amendment of the section in the act in clause 19 of Bill C-38.

Mr. Speaker: Order, please. Again the Chair will take into consideration the nature of the amendment and the statute to see whether or not something can be accomplished at this point by unanimous consent. I think all hon. members understand that obviously the intention of the amendment is praiseworthy. That is not the difficulty. However, what is being done here is an attempt to go beyond this amending statute to another statute that this bill does not seek to amend. I am not certain that that can be done even with the consent of the House, and I will need some time to consider it.

Motion No. 2 is in the name of the hon. member for New Westminster (Mr. Leggatt). Perhaps the House will move to consideration of that motion while we reflect on the other problems.

Mr. Stuart Leggatt (New Westminster) moved:

> Motion No. 2.
>
> That Bill C-38, An Act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be amended in Clause 7 by adding immediately after line 22 at page 9 the following:
>
> "(15) Where fish have accumulated deleterious substances to an extent that the health of the Canadian people is endangered, the Minister may prohibit fishing in those Canadian fisheries waters until a time when the level of deleterious substances has decreased and no longer constitutes a health hazard."

He said: Mr. Speaker, I take it that at this point in the proceedings it is appropriate that we deal with the substance of the motion. There is no procedural problem with it. In any event, it is appropriate that this morning's Montreal *Gazette* carries an interesting story on mercury poisoned fish, the headline of which reads: "273 Waterways have Mercury Poisoned Fish". The article reads:

> At least 273 Canadian lakes and rivers contain mercury contaminated fish posing a health hazard if eaten, says a list compiled by the federal environment department and officially described as incomplete.

I emphasize the fact that that list is incomplete. The article goes on to read:

> The list shows that most of the affected lakes and streams—roughly 160—are in Ontario, Manitoba has 40, Saskatchewan and Quebec 22 each, the Northwest Territories 12, New Brunswick 6, Alberta 4, Nova Scotia 2, and British Columbia and Newfoundland 1 each.
>
> The report names nine industries which are known to cause mercury pollution in 21 lakes or rivers.

Then the industries are named, such as Domtar Limited at Lebel-sur-Quevillon, about 50 miles north east of Val-d'Or, Aluminum Company of Canada Limited at Arvida, near Chicoutimi, and Strachem Limited, Beauharnois on Lake St. Louis. Of course, the most famous case of all is the Reed Paper pollution of the English-Wabigoon river system. I do not think there is a more important amendment that this House can deal with in terms of this bill and I do not think there is a more important matter to deal with than this question of the poisoning of native Canadians as the result of our rush to industrialize a part of Canada. We cannot have it both ways in this country. We who live in the south and who look to the modern industrial world to provide us with the comforts, cannot sit home quietly and have our comforts at the price of the death of the native people in this country, and that is the risk we have been running for a long time. The warnings have been there, and the Minister of Indian Affairs and Northern Development (Mr. Allmand) and the Minister of National Health and Welfare (Mr. Lalonde) have been dragged, kicking and screaming into this issue.

● (1200)

I will not neglect the province of Ontario. I think that province has much to account for in terms of its approach to the English-Wabigoon river system. This amendment would allow the minister to prohibit fishing in any waters until such time as the amount of deleterious substances decreases and no longer constitutes a health hazard. That would mean some disruption both for native people and for people who run tourist businesses along those streams, but surely we cannot continue to pay the price of poor health among native people just to keep a few small industries going. If we are interested in the health of fish, surely we should be interested in the health of humans, and this amendment gives us an ideal opportunity to move now.

Let us remember that the power which would be given to the minister would be a discretionary power. He may close those rivers. He would not have to, but at least we would not have the jurisdictional foul-up we now have in Ontario whereby the federal government says this matter is a provincial responsibility and the provincial government says it is partly its responsibility and partly that of the federal government and that the matter should be studied further. We have studied that system long enough, and we know that native people have mercury poisoning. We know also that on the Quebec side there are areas where there is serious mercury poisoning.

From time to time it is argued that because of the division of fisheries jurisdiction the federal government cannot act. I do not think that argument will wash. The Native Indian Brotherhood presented a very articulate and well researched brief to the minister. In terms of the argument in favour of the minister's reserve jurisdiction and the whole question of being able to end fishing in streams until those streams are properly cleaned up and the health of Canadians is protected, I am very happy to endorse that brief. I do not know why this amendment was not adopted by the government when the bill was first drafted and why it was not adopted by the committee because it would not allow the minister to exceed his jurisdiction. It is not a mandatory provision. It would allow the minister to use his jurisdiction, and where a dispute arises, as it has with regard to the English-Wabigoon matter, the minister could clearly move to end very dangerous situations.

The Parliamentary Secretary to the Minister of Fisheries and the Environment (Mr. Fleming) indicated to the National Indian Brotherhood on February 1 that the government would not close the river system unilaterally. I am pleased to see the parliamentary secretary in the House today, and when he responds, as I am sure he would like to, I hope he will explain why he wrote that letter and why he rejected an amendment to the bill which would allow the minister to act unilaterally under the provisions of the bill. The government cannot have it both ways. It cannot write to the National Indian Brotherhood and say it does not have the power and then, when the brotherhood seeks to give the government that power in the form of an amendment, refuse to accept it. We are looking for a little bit of federal leadership. There must be co-operation, but the minister must clearly have reserve jurisdiction in terms of this mercury problem, which is a problem right across the country.

I have been dealing with the English-Wabigoon system because that is the system which has had the most attention here in Ontario, but there is a whole chain of poisoned rivers going from one end of Canada to the other. There is not much use in casting blame and saying that Reed Paper is the villain or that someone else is the villain. Yes, Reed Paper is the villain, but we have a very special responsibility to deal with the effects and the cause of that poisoning. Instead of keeping the price of paper low by poisoning Indians and by not putting in the kinds of devices that are needed to stop that poisoning, we in this House have a special moral responsibility to see that those streams are closed and that the natives of Canada are protected. I plead with the minister and his parliamentary secretary not to reject this amendment out of hand or on any partisan basis. Here is an opportunity to exercise leadership and not simply to say that Ontario does not really want to shut down the sport fishery and that if people eat a few of those polluted fish they will be all right. If the government says that, native people will quite rightly think that if the fish are all right for American tourists, they are all right for them. The problem continues to be compounded by a lack of leadership at the federal level.

I am not going to deal in detail with the jurisdictional argument which was presented to the minister by the National Indian Brotherhood. The position of the brotherhood is that the federal government has unilaterally abandoned jurisdiction as a result of some events which occurred a very long time ago. To me that seems to be quite a persuasive argument, and if we examine it from the point of view of the British North America Act, the jurisdiction is still clearly there. It is time the federal government stopped abandoning its powers and leaving them to the provinces. This is another opportunity for the federal government to assert itself in an area where we have not seen any federal leadership whatsoever. The federal

government should protect the health of the Canadian people, particularly that of native people, from the effects of mercury poisoning.

This bill is basically designed to improve our capacity to increase the spawn and the size of fish catches, but it also deals with the question of fish quality, and when it deals with that, it must also deal with the question of the health of those who consume that fish. It is directly related. This seems to me to be a golden opportunity for the minister to accept this well reasoned amendment and to place himself in a position in which he could shut down the English-Wabigoon system until the problem of mercury pollution has been solved.

This would be a great incentive to industry. As this bill proceeded through second reading stage and through committee stage the argument throughout was that the powers in the bill are great. We know they are, but we should not be unreasonable in exercising those powers. We need those powers to encourage industry to clean up its act. All we have to do is use the bill to give industry notice that we have the potential to require industry to discontinue or change some of its operations. We think that if the federal government has this kind of power, industry will voluntarily comply. Surely, the same argument holds true for the proposed amendment. It would give the minister the power to shut down certain streams, and this would give industry a tremendous incentive to make doubly sure that it does not continue contaminating the 273 waterways which the Department of the Environment has identified as being contaminated by mercury.

I am disappointed that we have spent so much time on this bill in terms of considering its commercial potential. That is necessary and useful, but we seem to have spent an inordinate amount of time on that and not dealt with the other side of the question, which is the question of the poisoning of people who consume poisoned fish. I shall say no more. I commend the amendment to the minister and am disappointed it has not found favour with more hon. members.

● (1210)

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I shall be brief. I do not think any native people would say the intent of the hon. member's amendment is not good, but that is not the issue. The hon. member spoke of a certain historical abandonment of responsibility, and I suggest that he was not correct. I do not believe that giving provincial jurisdictions the right to enforce federal legislation, by agreement, is necessarily an abandonment of responsibility. Certainly, it is not an abandonment according to what I studied in law school.

Mr. Baker (Grenville-Carleton): It is co-operative federalism.

Mr. Jarvis: I accuse the hon. member of no ulterior motives, but point out that the activities of the provincial Ontario NDP concerning the English-Wabigoon river system disturbs me deeply. I do not blame the hon. member for New Westminster (Mr. Leggatt), but suggest that the leader of the Ontario NDP

[Mr. Leggatt.]

was more concerned about inspecting refrigerators and being reported in the headlines than about anything else.

I read carefully the brief of the National Indian Brotherhood and think, as does the hon. member for New Westminster, that it was well reasoned and well presented and undoubtedly led to this amendment being proposed. I discussed briefly with representatives of the Brotherhood the facts which prompted them to view the situation with respect to the river system with alarm, and I share their attitude. I commend the Brotherhood for preparing an excellent brief. On the other hand, I have great difficulty accepting at face value what the hon. member for New Westminster suggested. He suggests, after having assessed the history of the situation in the area, that the federal government should assume what he thinks is its constitutional responsibility under the British North America Act. I suggest that the progress we have made on environmental questions has not come about because one jurisdiction has taken away authority from another. We have made substantial progress by co-operating with our jurisdictions, provincial and municipal. I suggest that the federal government could have acted with respect to the English-Wabigoon river system by order in council, but chose not to do so for its own reasons, for which I might condemn it. I do not know.

Solicitors in the employ of the government of Ontario told me that, without question, the federal government had power to close the river completely to sports and commercial fishing, but chose not to do this because it thinks that regulations concerning the Fisheries Act can best be enforced in inland waters by provincial jurisdictions. I think I and the hon. member for New Westminster are debating this question today. The hon. member thinks the regulations could be better enforced at the federal level. I question that. I do not think big government getting bigger is necessarily better, particularly with respect to environmental matters. The ability of many provinces to enforce federal legislation concerning inland waters and fisheries will vary. The facilities and manpower for enforcing the regulations will vary as between provinces.

Something else troubles me about the amendment, and the hon. member did not address himself to the point. If the federal government chooses to take this action—and it would have power so to act even if the amendment were not passed—what consequences would flow from that action? Would the provincial government feel obliged, because of the action it took, to feed the native peoples who can no longer consume the fish from the river. If the federal government acted under this amendment, does the hon. member for New Westminster think no consequences would flow from that action? I suggest, seriously, that there may not be legal consequences, but there would certainly be strong moral consequences. If I cut off the food supply of certain native people in a certain geographic location, am I not morally obligated to provide them with a substitute food supply? Does the hon. member suggest the federal government should move into that area?

Mr. Leggatt: They did.

Mr. Jarvis: It has from time to time. Has the hon. member seriously considered the consequences of the federal government's closing, say, a waterway for commercial and sports fishing? What would be the position if the federal Department of Agriculture acted this way with respect to hoof and mouth disease in cattle? What would the consequences be? The point is important; unfortunately the hon. member did not consider it. If he suggests the federal government should assume responsibility in those cases, he and I part company. Obviously, the hon. member favours extending federal jurisdiction in matters affecting native peoples.

I have some doubt about this motion, first, because the federal government already has the power to do what the amendment proposes; second, because I am concerned about the consequences of those actions I mentioned.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What about the consequences of inaction?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, since it is agreed that we should make progress with the bill, my reply to the points raised by the hon. member for New Westminster (Mr. Leggatt) will be brief. I believe the hon. member for New Westminster referred to a letter I had sent to someone. Actually, if memory serves me right, I believe he was referring to a response I gave in the House of Commons to a question.

Mr. Leggatt: That is right.

Mr. Fleming: In my response I said the federal government would not move unilaterally and tried to make the point the hon. member for Perth-Wilmot (Mr. Jarvis) made so well some minutes ago. I believe the federal government has power to act under the present legislation. Therefore the matter comes down to a ceding of administrative responsibility. Should we, at will, no matter how worthy the cause, enter a field of jurisdiction because of some alleged fear the province or other authority will not carry out its responsibility; and leave that field of jurisdiction when we think that authority is acting properly, particularly in environmental matters? The hon. member for New Westminster said several times the government cannot have it both ways. That is the precise difficulty. We cannot have it both ways in the administration of this act and in the proposing of legislation. On the other hand, in many cases there is a healthy federal-provincial relationship in which the provinces assume responsibility for administration of the act.

In this connection may I quote part of a letter written to Mr. Noel Starblanket, President of the National Indian Brotherhood in February, by the senior assistant deputy minister, fisheries and marine service of DFE—Department of Fisheries and the Environment. I begin at the second paragraph. The letter reads:

> As you may be aware, responsibility for administration of the Fisheries Act has been delegated to the province of Ontario since 1898.

● (1220)

I believe that that is 1902.

> While provincial regulations under the Act must be approved by the federal government, we have not had a direct involvement in the management of Ontario fisheries for over 75 years. Although the minister retains the legislative authority for regulating fisheries, it is his firm position that the delegation of authority to the province to administer the Fisheries Act must be respected. He has indicated that he does not intend to intervene in a matter which is clearly a provincial responsibility.
>
> While the minister is not prepared to overrule any provincial decision regarding sport fishing on the English-Wabigoon, he does support the concept of a fishing ban in that waterway as a useful step to reduce the consumption of contaminated fish by native people. It is also his view that while enforcement of a ban would obviously require the active cooperation of provincial authorities, the opportunity should be provided for local residents to become directly involved in enforcement of the ban to maximize its effectiveness.

I point that out to try to state the particular position and also to argue that my minister has not been hesitant in making very clear his views as the federal Minister of Fisheries and the Environment on what should happen in that area. We have heard many arguments, particularly on occasion from members of the NDP, that we cannot continue to intrude on provincial responsibilities, that we must respect the practice that has been carried on for a number of years.

Clearly for 75 years we said we have the act, you will administer it and we have not intruded. On particular occasions where we believe the cause justifies it and we negate their judgment, surely there will be consequences. I think that is the point that the member for Perth-Wilmot was making, as well as consequences of compensation.

Much more important is the consequence of either giving people at a different level of government responsibility to carry on or not giving them the responsibility at all. I am sure the hon. member for New Westminster is not suggesting we should take back from Ontario the responsibility they have held for 75 years.

Mr. Speaker: Order, please. Hon. members know that by hearing the hon. member for New Westminster (Mr. Leggatt) now, he will close the debate.

Mr. Leggatt: Mr. Speaker, I wish to respond to two points in the debate. One is that if the federal government took action under this proposed amendment, consequences would flow. That is correct. In fact, there is ample precedent for that. Consequences have flowed from the English-Wabigoon case. In fact, it was not the province of Ontario but the Minister of Indian Affairs and Northern Development (Mr. Allmand) who provided the freezers and the fish.

An hon. Member: In Ontario.

Mr. Leggatt: In Ontario, too. I am not suggesting any one particular group did it. I do not think it is valid to argue that because consequences flow from these kinds of decisions that there is not the lateral responsibility that goes with that.

Of course, any government would take the consequences of shutting down a stream. If native people were not involved, I would say there is a federal responsibility to those people in

that area to receive alternate employment and alternate compensation as a result of the poisoning of the water. However, it does not seem to be a valid argument in terms of opposing this particular amendment.

The other question is the position of the New Democratic Party in Ontario. When I initiated this, I said I was not initiating it on a partisan basis. I did not want to compare the record of the federal government and the provincial government in this area and so on. However, since the hon. member wants to raise that question and insinuate that question into the debate, the record of the provincial Ontario government has been appalling with regard to the English-Wabigoon system. I am not using that as an argument particularly, but quite clearly they have made political decisions with regard to that area of the country which have damaged the health of native people, to their discredit.

The mere fact that administration of the Fisheries Act has been left to the provinces does not mean that for all time the federal government has abandoned its jurisdiction, its capacity to take over the clear question of whether a river should be open or closed. To continue to play this jurisdictional game between the provinces and the federal government means that in the meantime we are going to find Indians with mercury poisoning. Ordinary Canadians everywhere will have their health seriously affected while this silly constitutional debate continues.

The fact is the reserve jurisdiction is in the federal government. It is about time they took the leadership and had the guts to close down that river and put this amendment in the bill.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The question is on motion No. 2 standing in the name of the hon. member for New Westminster (Mr. Leggatt). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And five members having risen:

Mr. Speaker: I will order that the division be deferred.

Earlier in the day I expressed some concern about the procedural regularity of motion No. 1 in the name of the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). The motion seeks to attach itself to clause 3 of Bill C-38. Clause 3 of Bill C-38 reads as follows:

Section 12 of the said Act—

That being the Fisheries Act.

—is repealed and the following substituted therefor:

[Mr. Leggatt.]

What follows is a new clause 12 which defines salmon and other prohibited species. The purpose of the amendment to which the House seeks to give its consent from a procedural point of view is to repeal Sections 10 to 12 of the said act and to substitute a new Section 10 and Section 11.

I was concerned upon reading the motions that even with unanimous consent the House not attempt to do so because I was fearful that the proposed amendment of the hon. member for Grand Falls-White Bay-Labrador went far beyond the provisions of this statute and into sections of the Fisheries Act not dealt with here. In fact, upon examination of the amendment, the statute and the Fisheries Act, I am indeed certain.

I was concerned that we ought not to do by unanimous consent that which was totally wrong from a substantive point of view. It seems to me that the House is perfectly able to give its consent to set aside its Standing Orders. It is perfectly able to give its unanimous consent to waive procedural requirements and precedents concerning notices and things of that sort. However, if we were to come to a point where we had an attempt to introduce an amendment which was totally contrary to the principle of a bill or totally beyond the scope of a bill, that is the time the Chair ought to intervene so that even upon unanimous consent we would not attempt to do things that were fundamentally wrong from both a procedural and substantive point of view.

However, in this particular instance there are certain conditions. First, Bill C-38 does in fact amend the Fisheries Act. That is its purpose. Second, it does set up machinery for the settling of disputes in several particular sections and imposes fines and penalties for difficulties about fisheries jurisdictions and things of that sort. Third, by examining sections 10 and 11 which it is proposed by this amendment to change, sections 10 and 11 already do in a substantial way what it is that this amendment attempts. The language in sections 10 and 11 of the Fisheries Act is almost identical to the language that is being put forward in these amendments. Therefore, what is attempted here is a relatively minor change to those two sections in order to give effect to the inclusion of provision for jurisdiction by certain fisheries officers, and some other related aspects, and also to change in a minor way the definition of the seal fishery, which is already the subject of those sections.

● (1230)

It might, indeed, be argued that even in these circumstances, since Bill C-38 does not touch sections 10 and 11 of the Fisheries Act this amendment is not in order. I would probably be persuaded on purely procedural grounds, since Bill C-38 does not propose to amend sections 10 and 11 of the Fisheries Act it could probably not be moved at this time. But given the unanimous consent of the House, under all the circumstances I have outlined, we are not stretching things too far in attempting to accommodate hon. members.

There is another point I should bring to the attention of the House. First of all, section three of the bill does not deal with sections 10 and 11 of the Fisheries Act. Further, the amendment which is put forward does not deal with the present

clause three of Bill C-38. It takes clause three of Bill C-38 and repeals it, and I think the intention probably was to add on these two paragraphs dealing with sections 10 and 11 of the Fisheries Act. Instead of that, it is replacing the present clause three with the proposed amendments to sections 10 and 11 which means that clause three of Bill C-38 is lost. I am sure that was not the intention.

It seems to me all intentions would be more accurately served if the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) were to put forward what they now describe as a new clause three as a new subclause to the bill, which would become clause 3.1. Without touching the present clause three, it would deal directly with sections 10 and 11 of the Fisheries Act just as described. This, because of its procedural irregularity, would be done by consent of the House. The procedural irregularity is still well within the principle of the bill, bearing in mind that it does amend the Fisheries Act, as is sought to be done here, and does set out to regulate several areas of fisheries dispute as is also sought to be done here. It seems to me that the procedural abberation is no greater than we have allowed many times in the past and therefore if it meets with the approval of the House perhaps the hon. member for Grand Falls-White Bay-Labrador could seek the unanimous consent of the House to introduce his motion.

Mr. Rompkey: Thank you, Mr. Speaker. Perhaps you could advise me whether it is necessary for me actually to introduce the clause as suggested or whether I am now at liberty to debate the motion.

Mr. Speaker: The hon. member for Grand Falls-White Bay-Labrador seeks the consent of the House to introduce by way of a new clause to the bill a motion at the report stage which would propose the addition of a new clause 3.1 and which would read as follows:

3.1 Sections 10 to 12 of the Act are repealed and the following substituted therefor:

10. No one shall with boat or vessel or in any other way during the time of fishing for seals knowingly or wilfully disturb, impede or interfere with any seal fishery or prevent or impede the shoals of seals from coming into such fishery or kwowingly or wilfully frighten such shoals.

11. Disputes between occupiers of seal fisheries concerning limits and the method of fishing or setting nets shall be decided summarily by any fishery officer or justice of the peace, by whom arbitrators may be appointed to assess damages and any damages so assessed or arising out of a repetition or continuance of the difficulty ordered to be remedied may be levied under the warrant of any justice of the peace.

The seconder is the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Does the House give unanimous consent to the introduction of this motion?

Some hon. Members: Agreed.

Mr. Speaker: The motion is therefore deemed to have been introduced.

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

Mr. Crouse: On a brief point of order, Mr. Speaker. When the hon. member addresses the House on this motion, would he explain the reason for using the words "shoals of seals" rather than "herds of seals"? It is my understanding as a lifelong Lunenburger that when you went sealing you looked for herds of seals. I have never heard the expression "shoals of seals", in my life and I wish the hon. member would explain the terminology.

Mr. Speaker: Even to my unpracticed ear the expression sounds strange. Nevertheless, it is the language already used in sections 10 and 11 of the Fisheries Act.

Mr. Goodale: What about "flocks of seals"?

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Thank you, Mr. Speaker. I am not sure I can give a satisfactory explanation of the term. I can only say that the terminology used in the amendment goes back to a previous day. Like the hon. member for South Shore (Mr. Crouse) I am used to the term "herds of seals". However, "shoals" is the word which was used back in the dim pages of history and the people who drew up the act decided they would use this terminology. Perhaps the hon. member and I can discuss the point with the fisheries experts later on.

I want to make a few brief remarks on this important motion. There are two things we have to do on behalf of the sealing industry and on behalf of the sealers. One is legal and the other is political. I am using "political" in the broad sense of the word. What we are doing today is, I think, entirely legal, entirely in order. It is certainly not proper for anybody to go into the woods and interfere with a logger in the course of his work. Nobody is allowed to go down into a mine and interfere with a miner in the course of his work; nobody can go on the water and interfere with a fisherman, take up his nets, damage his boats. Yet last year on the ice floes off St. Anthony we saw people locking themselves to chains, stopping ships, taking clubs out of the hands of sealers and throwing pelts into the water. In other words, they were doing away with the means by which these people make their livelihood. After all, these sealers are engaged in an entirely legitimate pursuit, as are loggers, fishermen and, for that matter, office workers.

It is not our intention to keep away from the seal hunt those who go there for a legitimate reason. We do not want to keep away the press, for example. The press has gone to the seal hunt for the last several years and I think those reporters who are conscientious and reputable have given honest accounts and related the facts. Indeed, I think that from the small "p" political point of view the tables are turning on the side of the fishermen. This is due to the work of those responsible journalists who have written their stories and related the facts as they saw them. We do not want to keep such journalists away from the hunt. Nor do we want to keep away those who are engaged in research or even those who simply wish to go there as spectators to see what goes on.

In the past, however, people have gone there with the avowed intention of disrupting the sealers in the course of their

work. I think that is wrong and that it should be stopped. It does not happen anywhere else in Canada; it is not done to any other workers in Canada and we are determined that it shall not be done to the sealers. Last year, the fisheries officers had no authority to stop that sort of thing. They were on the high seas and had no authority to do what they thought they should be doing. They were practically impotent to do what needed to be done. This act, in another section, gives fisheries officers the authority of peace officers and will enable them to enforce this amendment.

● (1240)

From the political point of view, the other thing we have to do, after we pass this amendment and put it into law thus tightening the law on behalf of sealers, is to do a job in Canada by telling the story of the seal fishery as it should be told in order to set the record straight. The people of Canada have been subjected to a lot of inaccurate information. As an example, the method of killing seals has been described by many as inhumane. We have on the record now a number of reputable humane societies in this country which say that the method of seal killing is as humane as possible and is more humane than the methods used in many abattoirs in Canada. It is more humane than the methods used in other areas of work whereby living creatures are killed. There is a balance of nature to protect and preserve. We, as human beings, are going to continue to eat, and continue to use that which is put on this earth for our use. In terms of the humanity of the kill, it has been shown that it is as humane as most and more humane than some. The government of Canada took exception to steps in the direction of inhumane killing. I remember when the previous minister of fisheries outlawed the gaff and introduced the club. There is enough information on the record to indicate that the method of killing is humane.

I hope the seal industry in Newfoundland can be developed because it is an important source of income for Newfoundland fishermen. In years past they have made $1,000 a year from the fishery. This year, which was a particularly good year, inshore fishermen made an average of between $4,000 and $5,000 from the seal fishery alone. When you consider half of the fishermen in the Atlantic provinces live below what would normally be described as the poverty line in this country, then we can justify that seal fishery.

We had to change the law and we also have to change the hearts and minds of Canadians. We have wolves in sheep's clothing and false prophets who have been preying on the emotions of people who are looking for a cause and have nothing to get involved in at the moment. It is unfortunate that a former reputable organization such as Greenpeace should get involved in a situation which is not in keeping with their past record. When they protested against the testing of nuclear devices, a lot of people in this country were with them. Now that they are trying to protect the whales, a lot of people in this country will be with them. When they attempted to protect seals, they did not know what they were getting into and were out in left field. I hope we have been able to turn the tables. I hope we will be able to tell the people of Canada in the future exactly how important this industry is to the Atlantic provinces and exactly what protections we should build in and are building into the Fisheries Act in order to protect people in the course of doing their jobs.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I take great pleasure in seconding the motion of the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey). I commend him for the work he has done, and I also commend the government for giving us this means to protect what has been the heritage of many hundreds of Newfoundlanders for many hundreds of years. I am very pleased, and I am sure the people of the Atlantic region are pleased as well, with the fact that this is a humane hunt. As the hon. member indicated, it has been proven time and time again that people for some reason or other are trying to destroy the minds of other people for their own gains.

I have no hesitation in naming the people to whom I am referring. As is indicated in the article contained in the Toronto *Sun*, the people who wanted to ban sealing were: Brian Davies from Vancouver; Franz Weber from Switzerland; Michael Moynihan from New York, who is Senator Daniel P. Moynihan's brother; and some fellow from Boulder, Colorado who accompanied Brian Davies of the International Fund for Animal Welfare, Greenpeace. The article continues as follows:

> These types are the reason why, every springtime, when the harp seals begin to whelp on the front of ice moving down from the Arctic, St. Anthony turns into a scene that, if Paddy Chayefsky had known about it, he would have worked into Network.

These are people who are doing damage to Newfoundland Canadians, and they are allowed to get away with it. They went deliberately to the seal hunt last year against orders and provoked fishery officials and sealers just to get particular attention. They pretended they were drowning and pretended they were hit by fishery officers, just to get the attention of the press and to give the wrong impression to the people of Canada and the people of the world. They wanted to give the impression that Newfoundlanders were barbarians and that the seal hunt should not continue.

As my hon. colleague has said, the table has turned, and it turned as late as May 30, 1977 when the Ontario Humane Society indicated in a very good article that they were convinced the seal hunt was humane and supported it wholeheartedly. An article in the St. John's *Evening Telegram* of May 30, 1977 reads as follows:

> Canada's largest humane society has endorsed a report of a government committee on sealing which maintains Newfoundland's annual seal hunt is the most carefully regulated and controlled of outside slaughter operations.
>
> The 20,000-member Ontario Humane Society Friday unanimously passed a resolution supporting the report of the committee on seals and sealing at its annual general meeting held in Honey Harbour, Ontario.
>
> The COSS was appointed by the federal government in 1971 and is composed of scientists, veterinarians, and members of Canadian and international humane societies.

Perhaps much more will be said about this after today, but I should recommend to everybody in the House, if they have not seen it, the pamphlet put out by the Minister of Fisheries and

the Environment (Mr. LeBlanc) and entitled: "The Seal Hunt". Every member should send out copies of it to their constituents, so that the people of Canada are made aware that this is a humane hunt and can continue without the destruction of society and only to the destruction of false words, wrong impressions and false provocations by Canadians who should not be classed as Canadians.

A perfect example to cite is that of the petition which was sent out by the hon. member for Grand Falls-White Bay-Labrador and myself. In my district there are 25,000 householders, and there is only one small corner of my constituency which is called Plum Point from which landsmen fish. At the time we presented this petition in the House of Commons, it contained 15,536 signatures, and they are still coming in. The figure is now over 16,000. It indicates how 16,000 people in one part of Newfoundland, which is a fair proportion of the total population of approximately half a million, feel about outsiders coming in and destroying what is theirs through heritage. There are also the signatures which were collected by the hon. member for Grand Falls-White Bay-Labrador and other colleagues which total over 40,000.

I hope the amendments will give power so that we will not have the embarrassing situations which occurred in past years, particularly last year. To refer once again to Brian Davies, in 1975 he went to court and his case was deemed as being outside provincial jurisdiction. The case was postponed, and it has been appealed now by the Minister of Justice (Mr. Basford). In 1976, while his case is being appealed, the same man went out and committed the same crime, deliberately contravening the Seals Act. He is laughing at Canadian law-makers, at parliament. He should not be allowed to get away with this. The purpose of the amendment is to prevent people from interfering with this seal hunt. I have no hesitation in commending the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) for bringing the motion forward and I am pleased that he asked me to second it. Passage by this House will allow us to accomplish something for Canadian society and Canadian fishermen.

● (1250)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I seek some clarification on the purpose of the amendment. I have great respect for the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) because I know the amount of study he and other members have done on the subject. I am reluctant to get into a debate on a motion which concerns a fishery so far from my own constituency and about which the members supporting the amendment are so knowledgeable.

The amendment reads in part:

10. No one shall with boat or vessel or in any other way during the time of fishing for seals knowingly or wilfully disturb . . .

The words "in any other way" bother me. During the course of debate it has been indicated that there is no desire to keep responsible journalists away from reporting on the hunt but how do we define who is responsible and who is not in these circumstances? I agree completely with the comments of the Ontario Humane Society which were read into the record. I was one who refused unanimous consent several years ago to a motion condemning the activities of the Greenpeace in regard to the seal hunt and I think they were misguided in their activities last year. I am satisfied now that the evidence of our biologists is sound in the two areas in question, the humane conduct of the hunt and the biological capacity of this species to recover. I agree with those who claim the hunt is proper.

My concern with the amendment is that it would appear to be a move to "censor" the seal hunt rather than "censure" it. That may be a dangerous area. If we say that only certain journalists may observe the hunt we will be criticized very severely at home and abroad for apparently seeking to hide an activity that we do not need to hide. The whole world has looked at our seal hunt. I know that school children have been circulated in the United States and there has been talk of the "horrible hunt". I am not worried about the media; I am convinced that Canada won the argument last year on the facts. However, I am nervous about an amendment that says that any disruption in any way would be penalized.

That would leave a tremendous amount of discretion to be used about who we keep off the ice to report on the seal hunt. It seems to me to say we will let the good journalists on the ice and keep off the bad journalists. That is a dangerous position to take and I do not think we have anything to hide with regard to the seal hunt—there are some other areas where we may have things to hide but from the body of evidence I have seen, I am satisfied that the seal hunt is conducted properly.

Do we need legislation aimed at a particular group or particular journalists to prevent them from seeing what goes on? I think it would increase the problem rather than reduce it. Mr. Speaker, I am opposed to the amendment, not because I am opposed to the seal hunt but because we have nothing to hide and it seems to me the amendment is designed to prevent complete media coverage of the hunt. As long as people do not interfere with the hunt—by that I mean picketing or interfering with the sealers—or have an effect on the species by reducing the number of seals that may be in the area—I have to oppose the motion.

The Acting Speaker (Mr. Ethier): Order, please. Is the House ready for the question? The hon. member for Grand Falls-White Bay-Labrador.

Mr. Rompkey: Mr. Speaker—

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

Mr. Leggatt: Mr. Speaker, I would think the hon. member would have an opportunity to wind up debate on his motion.

Mr. Speaker: Order, please. The precedent is of rather recent memory but is not of a very high quality. Due to the circumstances under which we are operating, the House will realize that earlier this morning I returned to the Chair and, while attempting to sort out one of the procedural problems we were discussing under these rather extraordinary circum-

stances, I gave the floor to the hon. member for New Westminster (Mr. Leggatt) who had already spoken on his motion. At this stage however, there is simply no procedure whereby a member can speak more than once, even if he wishes to close the debate. That has to be taken as a rather extraordinary occurrence.

For the benefit of the House I should like to settle a procedural question on motion No. 3. I was endeavouring to do so before one o'clock in order to assist hon. members in planning their schedule of work for this evening. Motion No. 3 is an amendment of the minister and proposes to add conditions to the power of the minister to prescribe an order in clause 8. The condition that is sought to be added is an offer of consultation with the provinces before that takes place. In committee, I am aware that the chairman ruled that amendment out of order on the basis of a precedent I had set in relation to the immigration bill only a few days previously. In reading the two clauses it is not difficult to understand why the committee chairman would make that ruling. The language of the two clauses is similar and it seems to me it would be difficult for the committee chairman to resist a comparison between them and therefore to follow the precedent set in the immigration bill and rule this amendment out of order.

Upon reflection, however, it seems to me that the conditions are somewhat different. In the immigration precedent the statute had put forward by way of a general authority clause all of the authorities the minister required in order to behave as the minister responsible for that particular statute. It was a general authority clause which every statute of that sort must have in order to see to it that the minister is clothed with the appropriate authority to operate all the programs contained in the statute.

To that clause of general authority for the minister, it was sought to add that the minister was required to consult with the provinces before the implementation of some of the programs. In that circumstance it seemed to me it added an entirely new concept of the statute. In this situation, however, the conditions are somewhat different for indeed what is prescribed here is not the general authority section of the minister but rather a specific power of the minister to prescribe an order under certain circumstances and in certain conditions. The amendment therefore seeks to add another condition. Therefore, it is quite different from the precedent that was taken from the immigration bill.

● (1300)

In any case we are again faced with the desire already expressed by the House—for indeed there has been a desire expressed by the opposition—that there be greater consultation with the provinces, and in these circumstances the minister is attempting to give some credence to that expression of goodwill by enshrining it in statutory language. In the circumstances there seems to be an intent of the House that the matter be debated. Even if I were to be left in some doubt on the matter as to its procedural regularity—and in fact I am not—it is always incumbent on the Chair to attempt to resolve the doubt in favour of the matter being discussed in the House.

[Mr. Speaker.]

Because I think the conditions are different and the precedent does not apply as exactly as it first appeared, although I understand perfectly the reasoning of the committee chairman in following the precedent, and secondly because if I were left in any doubt I would resolve it in favour of discussion, and finally, because there has already been an indication that if there were a procedural irregularity, which I do not find, the House would want to discuss this motion in any case, I think it appropriate that the motion be put before the House for discussion and that it be found to be appropriate on procedural grounds.

Is the House ready for the question on motion No. 1?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

I declare motion No. 1 carried.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

AMENDMENT TO STANDING ORDER RELATING TO REPORTS OF AUDITOR GENERAL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, may I raise a matter that has been discussed with the other parties having to do with an amendment to the standing orders, but not one that causes problems in principle. It reads:

That Standing Order 65(1)(q) be amended by deleting the semi-colon at the end and adding the following: "to which the Public Accounts and all reports of the Auditor General shall be deemed to have been referred, immediately the said documents are tabled;"

The purpose of the amendment is to ensure that the public accounts and reports of the Auditor General are automatically referred. I would like to move that motion and have it adopted.

I have another point of order which may commend itself to the House.

Mr. Speaker: The House has heard the motion of the President of the Privy Council (Mr. MacEachen). Is it the

pleasure of the House that the President of the Privy Council shall have leave to introduce the amendment?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

EXTENSION OF REFERENCE ON FARM BROADCASTING TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council): As hon. members are aware, the Standing Committee on Broadcasting, Films and Assistance to the Arts has been considering the question of farm broadcasting. Their term of reference has expired so that they have not been able to make a report. In response to a number of requests from members of the committee I should like to move:

That the Standing Committee on Broadcasting, Films and Assistance to the Arts be authorized to consider the subject matter of farm broadcasting and that the evidence adduced thereon in December 1976 be referred to the said committee.

The hope is that once the committee has received this reference it will produce a report in the remaining days of the session.

Some hon. Members: Hear, hear!

Mr. Speaker: The President of the Privy Council (Mr. MacEachen) seeks the consent of the House to introduce this motion. Is it agreed?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Mr. Speaker: There being no further business, I do now leave the chair pursuant to an order made Monday, June 27, until eight o'clock this evening.

At 1.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND THE ACT AND THE CRIMINAL CODE IN CONSEQUENCE THEREOF

The House resumed consideration of Bill C-38, to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, as reported (with amendments) from the Standing Committee on Fisheries and Forestry.

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport) for the Minister of Fisheries and the Environment) moved:

Motion No. 3

That Bill C-38, an act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be amended in clause 8 by adding immediately after line 11 at page 11 the following:

"(4) Where the minister or a person designated by the Minister proposes to make an order pursuant to subsection (2), he shall after to consult with

(a) the governments of any provinces that he considers to be interested in any such proposed order, and

(b) any departments or agencies of the government of Canada that he considers appropriate,

but nothing in this subsection prevents the minister or a person designated by the minister from making an interim order pursuant to subsection (2) without such consultation where he considers that immediate action is necessary."

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to speak briefly on motion No. 3, which is before the House. I feel it is only proper that I put on record some of the concerns expressed by the provinces as well as those expressed by industry when this measure was before the committee for detailed study.

The motion moved for the minister is identical to one which was rejected by the chairman of the committee, but I am pleased to see that it has been introduced to the House once again. When we examined the original amendment in the committee, the concerns of a number of provinces were registered. It is not my intention to burden the record tonight with all of the objections, but I think some of them should be recorded in *Hansard* so that the positions of the provinces will be there for everyone reading *Hansard* to see. Starting on the Pacific coast, the brief submitted to the committee by the government of British Columbia reads in part as follows:

The proposed amendments to the Fisheries Act (Bill C-38) have been brought to my attention by a number of ministries within the British Columbia government, as well as representatives from major industries in the province. All are concerned with the effect the proposed legislative changes will have on existing co-operative arrangements between agencies of our two governments dealing with environmental protection and pollution control. They are also apprehensive about the potential effect of these proposals on resource and economic development.

The mutual objective of avoiding duplication of government regulations, particularly in relation to resource-based industries, will not be furthered by the proposed legislation. The close co-operation we have enjoyed in the environmental field may be jeopardized. The proposed legislation is oriented to a single resource—albeit of considerable importance to this province—but is out of step with the multiple resource use essential to the development of a healthy economy in British Columbia.

● (2010)

That is the prelude to their brief, which indicates some of the concerns of those who reside in British Columbia. I will not deal with all the briefs. I am picking them at random. The government of Alberta submitted one, which says in part:

The rights of provinces to maintain those areas of jurisdiction allotted them by the British North America Act is a fundamental principle of the Canadian constitution. Alberta strongly reaffirms this principle and maintains that the provinces have the right to receive adequate consideration by the federal government where proposed legislation may create encroachment upon provincial fields of legislation. Alberta feels that the proposed Bill C-38 clearly impinges on provincial rights . . .

An example of such a mechanism is a recent agreement signed in 1975 between Canada and Alberta in which they entered into an accord for the protection and enhancement of environmental quality. Both Canada and Alberta have jurisdictional responsibility in the field of environmental quality including pollution prevention, control and abatement. The accord was a recognition of this joint responsibility. It stated that both parties would co-operate to make certain that environmental programs were planned in such a way as to ensure comprehensiveness and eliminate duplication. It was also agreed that both Canada and Alberta would adhere to certain principles and practices relating to the protection and enhancement of environmental quality, in the development and maintenance of complementary programs with each government acting within its constitutional jurisdiction. The objectives of the accord were to provide a more effective solution to pollution problems through better co-ordination of federal-provincial activities.

Sections 7, 9 and 10 of the accord are quoted in the brief, as follows:

Section 7. Canada, after consultation with the province and all other provinces, agrees to establish broad national ambient quality objectives for air and water based upon nationally agreed scientific criteria.

Section 9. Canada, after consultation with the province and all other provinces, agrees to develop national baseline effluent and emission requirements and guidelines for specific industrial groups and specific pollutants. Specific groups or classifications of industries will be agreed upon from time to time for the purpose of establishing priorities.

Section 10. Canada and the province agree to have adequate discussions on possible environmental effects of proposed major developments or redevelopment projects. Canada and the province undertake to provide each other with data and other general information as they may mutually agree to be necessary.

There is much more in the brief. On page 3 the following is found:

The proposed legislation in its present form contravenes the spirit of the accord as some of the amendments represent an intrusion into provincial jurisdiction over water resource management, natural resource development, industrial development, and local works and undertakings . . .

The Honourable Roméo LeBlanc, Minister of Fisheries and the Environment, in his address to the House of Commons during the second reading of Bill C-38, indicated concern for the protection of fish and water quality. While the federal government's concern is laudable Alberta questions the right of the government of Canada to usurp provincial powers to achieve these ends.

Although that brief contains much more, I wanted to put the particular passages I quoted on record so that hon. members might consider them in committee. I am holding in my hand another brief presented by Dr. Henry Landis, Q.C., general counsel for the Ontario ministry of the environment. This was an excellent brief presented to the committee and some of the points he made are well worth repeating. He said:

The amendments should be evaluated not by how they may be administered but rather by what they authorize. If this standard is applied, they authorize environmental control which, in significant respects, goes beyond anything contained in Ontario's legislation, duplicates important parts of it, authorizes actions which could have adverse effects on the economy of Ontario and imposes

[Mr. Crouse.]

on industries and municipalities duties and liabilities with respect to reporting and cleanup which are unreasonable . . .

The amendments may well affect the legal validity of Ontario's legislation dealing with water pollution and water quality. Because of the greatly increased scope of the amendments and the similarity between the provisions dealing with cleanup and the proposed amendments to the Environmental Protection Act for the same purpose, there is now a greater likelihood of a court coming to the conclusion that the field of water pollution and water quality has been occupied by federal legislation and as a result deciding that provincial environmental legislation such as the Ontario Water Resources Act and provisions of the Environmental Protection Act dealing with this field, is inoperative. The amendments add urgency to this recommendation.

He goes on to list a number of other objections to the proposed amendments.

Finally, I come to the brief presented by my native province, Nova Scotia, with respect to this bill and, again, I will only read into the record the pertinent parts dealing with objections to some of the proposed amendments. They say on page 1:

—some of the proposed amendments are foreign to the terms of Confederation, incompatible with fundamental tenets of natural resource management, and contradict the federal government's own policies and legislation respecting the "conservation, development and utilization", of water resources 'to ensure their optimum use for the benefit of all Canadians'.

They say, on page 2:

It is essential from our point of view that individuals, industry and municipalities be confronted with only one set of requirements, and requirements that provide for economic development consistent with a high level of environmental quality. We see no need to confuse and confound the public further by initiating a duplicating approval process with all the bureaucratic rivalry, confusion and delays that such duplication would entail.

These are matters requiring urgent consultation, since the province has found—

This is important. I continue:

—through experience, that the staff of the environmental protection service of the federal government often does not take account of the economic realities of a particular industry, or of the over-all interests of the community it supports, or the province, in its decision-making respecting pollution control.

They continue to say:

Co-operation between our two departments of the environment is imperative. It is essential that the federal agency recognize the primary role of the province and work through the province to obtain the information they require. For its part, the province is already co-operating in this regard.

In summary, the province of Nova Scotia does not believe that the Fathers of Confederation intended that the fishery power extended to the federal government should be the supreme power with respect to water resources management or to local works and undertakings. In particular, we do not believe that such pre-eminence to fisheries matters should pertain to waters internal to the province.

We believe that the needs of the people for high quality potable water, for industrial and agricultural water for water based recreation, should receive priority at least equal to that given to fisheries management by the federal government. We do not believe that the rights and needs of the people of our province for development and economic growth would be well served if made subservient to the needs of fish as determined, without consultation, by bureaucrats of the federal government.

My province entered into an accord in 1975, for the protection and enhancement of environmental quality. It was entered into on behalf of the government of Canada by the present Minister of Communications (Mrs. Sauvé) who was then minister of the environment, and on behalf of the government of Nova Scotia by Hon. Glen M. Bagnell, minister of the

environment of the province. I shall not read all of the accord. Part of it states:

—the governments of Canada and Nova Scotia, recognizing that programs aimed at achieving environmental objectives should be planned and undertaken to ensure comprehensiveness and eliminate duplication, agree to adhere to the principles and practices stated below in the development and maintenance of complementary programs with each government acting within its jurisdiction; agree to develop new co-ordinating mechanisms and new complementary programs so that they are in harmony with existing co-operative or complementary arrangements in related fields flowing either from legislation or administrative practice; and agree to the following principles and practices relating to the protection and enhancement of environmental quality;

On page 3 they list the items to which they take exception. They concern the ambient environmental quality criteria and objectives. I shall read the points listed:

6. Canada agrees, after consultation with the province and all other provinces, to determine and promulgate scientific criteria for air and water quality based upon the best available scientific information.

● (2020)

7. Canada agrees, after consultation with the province and all other provinces, to establish broad national ambient quality objectives for air and water based upon nationally agreed scientific criteria.

8. Canada and the province agree to identify specific geographic areas of joint interest and to establish specific ambient quality objectives or requirements for such areas based upon agreed scientific criteria. Existing agreements would not be affected by such undertakings.

9. Canada, after consultation with the province and all other provinces, agrees to develop national baseline effluent and emission requirements and guidelines for specific industrial groups and specific pollutants. Specific groups or classifications of industries will be agreed upon from time to time for the purpose of establishing priorities.

10. Canada and the province agree to consult freely on possible environmental effects of proposed major developments or redevelopment projects. Canada and the province undertake to provide each other with data and other general information necessary for an environmental assessment and review.

It is obvious from reading some of the briefs and the tenure of the briefs presented to the committee, whether the information came from Newfoundland or carried through all of the provinces, right through to British Columbia, that the thread was identical, namely, that consultation must take place between the federal government and the provinces. It was not only with the provinces that we noted it: it was equally true of all the briefs presented by the various companies as their witnesses appeared before the committee. One brief in particular, presented by the Mining Association of Canada, was very critical of the present government and the manner in which this bill was organized. They state in their brief:

Nevertheless, we feel that the members of the committee should be made aware of our serious concern at the lack of prior consultation which marked the conceptual stage of this particular bill . . .

Yet it would appear that little effort was made by Environment Canada to consult at the time with the Department of Energy, Mines and Resources whose professionals in the many disciplines associated with mining could have been of considerable assistance.

Neither was any effort made by Environment Canada to consult on aspects of the bill with responsible experts in the mining industry through the medium of the Mining Association of Canada.

These are just some examples, Mr. Speaker. They indicate the concern of citizens right across the country. Therefore, we in the official opposition were concerned when the chairman of the committee indicated that the original motion as presented was unacceptable. It was our intention to move a similar motion to that which is on the order paper now, in the event that it had not been moved by the Minister of Fisheries and the Environment (Mr. LeBlanc). However, this motion to which I address myself this evening states very clearly that the minister shall offer to consult with the governments of the provinces. I hope that wording will allay the fears of the provinces and their representatives who came before the committee. I am really surprised that this motion was not in the original bill.

Obviously, lack of consultation is of prime concern to Canadians. After all, if we are to have unity within the country when legislation is enacted at the federal level, consideration must be given to those who are affected thoughout the provinces. In the final analysis, it is only by consultation and agreement with them that we can make our laws effective. For all these reasons, we on this side are pleased to support this amendment.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 3 (Mr. LeBlanc) agreed to.

The Acting Speaker (Mr. Ethier): By unanimous consent, Mrs. Campagnolo, seconded by Mr. MacEachen, moves:

That Bill C-38, an act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be amended in clause 5 by striking out line 12 on page 3 thereof and substituting therefor the following:

"*équilibre d'une manière préjudiciable*"

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Jarvis: Mr. Speaker, I will make a very short intervention, if I may. I had hoped that before dealing with this motion, for which I see no immediate reason for opposing, there might have been some explanation for the reasoning. This was never brought before the committee during the committee hearings, that I recall. I think I was there for all of them except maybe one. There may be some problems between the Minister of Fisheries and the Environment (Mr. LeBlanc) and the Minister of Transport (Mr. Lang). I do not say disagreement, but some problems because of the implications of the Canada Shipping Act. Therefore, I hope the parliamentary secretary, or someone on the government side, will take the opportunity at this point to indicate to the House what

brought, on at this late date this particular government motion to amend at this stage.

Mr. Fleming: Mr. Speaker, if I might, I will be very frank. I read an explanation into the record this afternoon. That explanation which I read into the record has since been sent off to *Hansard*. I will do my best in the absence of that piece of paper. Shortly before this bill came before the committee, at the request of my minister I approached the fisheries and environment critics of the official opposition, as well as the critic of the NDP, with regard to the possibility of bringing forward a further amendment to this act in committee which would in fact allow for civil liability in the case of fishermen who suffered loss of income as a result of pollution. They considered it, and were agreeable. After that point in time it was tabled and accepted in committee. I am trying to explain why it was so late in the day when that particular amendment came forward.

I sought that understanding from the opposition parties, because it was felt it would probably be some time before the Fisheries Act was again amended, and it was an important clause to have included although it developed late in the day. As a result of that, officials of the Department of Transport had some concern that this new clause as it reads would have an effect, or would at least confuse, already existing powers for liability that fishermen could claim in so far as the Canada Shipping Act is concerned.

The Department of the Environment and my minister did not feel that was a problem, because there is an existing fund of many millions of dollars for claims by fishermen against pollution caused by ships within the conditions of the Canada Shipping Act. In fact, to date there have been only two claims against that fund, for a total of about $635. We felt that was proof enough that there was no concern necessary on the part of the Department of Transport.

They believe that despite that argument, the shipping companies might face seriously increased insurance costs as a result of the Fisheries Act taking up this civil liability responsibility as well as the Canada Shipping Act. For that reason unanimous consent was sought to table the amendment today in order to accommodate them, since the essence of the clause is to redress in some measure fishermen for loss of income attributable to land-based pollution.

• (2030)

Motion agreed to.

Hon. Iona Campagnolo (for the Minister of Fisheries and the Environment) moved:

That Bill C-38 be amended in subclause 7(3) thereof by adding thereto, immediately following line 16 on page 7, the following subsection:

"(10.5) Notwithstanding anything in this section, subsections (10) and (10.1) do not apply in respect of any deposit of a deleterious substance that, within the meaning of part XX of the *Canada Shipping Act*, constitutes a discharge of a pollutant caused by or otherwise attributable to a ship."

Motion agreed to.

[Mr. Jarvis.]

The Acting Speaker (Mr. Ethier): The House will now proceed to the taking of the deferred division on motion No. 2.

Mr. Knowles (Winnipeg North Centre): Call in the members.

The House divided on motion No. 2 (Mr. Leggatt) which was negatived on the following division:

• (2040)

(Division No. 67)

YEAS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Blackburn
Brisco
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Forrestall
Friesen
Grafftey
Hamilton (Qu'Appelle-Moose Mountain)
Jarvis
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
Marshall
Mazankowski
McCain
McCleave
McGrath
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Neil
Oberle
Orlikow
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Rynard
Schellenberger
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Whittaker
Wise
Woolliams—(63).

NAYS

Messrs.

Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Cullen
Cyr
Danson
Daudlin
Dawson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Francis
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Horner
Isabelle
Kaplan
Lachance
Lajoie
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
Martin
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell

Messrs.

Olivier	Roberts	Stewart (Cochrane)
Ouellet	Robinson	Stollery
Parent	Rompkey	Tessier
Pearsall	Rooney	Turner
Pinard	Roy (Laval)	Watson
Portelance	Sauvé (Mrs.)	Wood
Poulin	Sharp	Yanakis
Prud'homme	Smith (Saint-Jean)	Young—(115).
Railton	Stanbury	
Raines		
Reid		

● (2100)

Mr. Speaker: I therefore declare motion No. 2 lost.

Hon. Barney Danson (for the Minister of Fisheries and the Environment) moved that Bill C-38, to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, as reported (with amendments) from the Standing Committee on Fisheries and Forestry be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? By leave now?

Mr. Fleming: Mr. Speaker, I rise on a point of order. There has been consultation with the opposition parties and the independent member, and I believe there is agreement to proceeding to third reading now.

Mr. Speaker: Is it, by leave, now?

Some hon. Members: Agreed.

Mr. Danson (for the Minister of Fisheries and the Environment) moved that the bill be read the third time and do pass.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, when this bill was brought forward for second reading on May 16, 1977, I indicated that our party would support the over-all intent of the bill. Nevertheless, I stated that we were concerned with particular aspects of it. We supported the bill because the present Fisheries Act needs immediate revision, especially in the areas of providing more realistic penalties for those contravening the act, of providing a ticketing system for minor infractions so that fisheries officers no longer will be tied up for ages in court proceedings, and of extending anti-pollution standards and controls to existing industries and other possible pollutants of fishery waters. However, we were concerned about the extensive search and seizure powers of the fisheries officers; the extensive search powers of the federal pollution inspectors; the possible federal-provincial constitutional clash over anti-pollution jurisdiction; the small number of fisheries officers and inspectors with whom the department expects to do the job; and the content of the regulations which the governor in council may prescribe in the future.

Due to the prodding of my fellow Progressive Conservative colleagues on the Standing Committee on Fisheries and Forestry, as well as other members of the standing committee, most of our concerns have been satisfied. I introduced three amendments directed toward limiting the extensive search and seizure powers of the fishery and pollution control officers, and all three were accepted. These amendments will ensure that any future changes in the powers of fisheries officers will have to be approved by parliament, not by the arbitrary whim of the minister and his bureaucrats. They will ensure, also, that a pollution control inspector has to have just cause in making any inspections without a warrant.

● (2110)

Finally, they ensure that a fishery officer has to have a warrant before he can search a private home. Presently, a fishery officer can search any place without a warrant, although a ministerial directive was issued which restricted some searches. We on this side did not feel that a ministerial directive was sufficient. We felt that these restrictions had to be placed within the statute.

We were pleased that the minister was kind enough to table the regulations of Bill C-38 in the standing committee. Quite frankly, I wish more ministers would be so co-operative. We were not pleased, however, to find that the Department of Fisheries does not intend to hire extra fisheries officers. Our fisheries officers are already overworked and are spread too thin in many areas of maritime Canada. With the added duties being given to them under Bill C-38, we expected some indication that more would be hired. If I may make a suggestion, perhaps the Minister of Fisheries and the Environment (Mr. LeBlanc) should redefine his priorities. In our opinion, we need more men in the field, not more men in bureaucratic Ottawa.

One of our chief concerns has been the possible constitutional problem over pollution and pollution control. Unfortunately, this problem has not been resolved. Man has set foot on the moon, and he has sent scientific probes to Venus, Mars and Jupiter. All proved that there is only one planet in this solar system which is ideal for man, and that is the planet earth. We are stuck with this planet and we are responsible for the conditions existing on it. There is simply no other place, according to all the scientific data we have at the present time, for us to go. Consequently, I am appalled when I look around and see the impact we and past generations have had on the earth's environment.

Frankly, it is not only our transport system that is in a mess, as was stated by the previous minister of transport. Our environment is in a mess as well. Each day more beaches are declared unsafe for swimming. Each day more lakes and rivers are declared too hazardous for fishing. Even in the oceans such fish as swordfish are declared too contaminated to be eaten. That is a burden the fishermen of Nova Scotia have carried. In 1972 they were actually ordered out of the fishing industry in so far as it applied to swordfish fishing. We lost something like a $5 million industry for the fishermen alone as a result of mercury contamination. We must do better. We must start to clean up the mess.

I looked upon Bill C-38 as being an instrument which would aid in clean-up. With full federal-provincial co-operation, I was certain that Bill C-38 would be an effective anti-pollution instrument. Unfortunately, because of this Liberal govern-

ment's centralist policies, Bill C-38 might not be an effective pollution control instrument. With a bill as important as Bill C-38 one would have expected the federal government would have had full and intensive consultation with the provinces and industry. On May 16, in the House, the Minister of Fisheries and the Environment stated:

In the application of the pollution provisions of the Fisheries Act to industry, we try to work co-operatively with provincial governments. Over many months leading up to the final preparation of this legislation, my officials consulted with their provincial counterparts. Many of the proposals in this bill are a result of those consultations, and I might say that in some cases provincial input helped us to improve this legislation. To the best of our knowledge, all provincial fisheries ministers are supportive—

If it had been possible for the minister to attend all the committee hearings—and I know it was not possible—he would have had a chance to read the various briefs presented by provincial and industrial representatives who appeared before the standing committee, and he would be well aware that he was somewhat mistaken. The briefs indicated lack of consultation between the federal government and those affected by the bill. Some of the industrial representatives had a difficult time, according to their testimony, just getting sufficient copies of the bill. The Nova Scotia delegation stated that there was very little prior consultation. Their brief said, and I quote:

These are matters requiring urgent consultation since the province has found through experience that the staff of the environmental protection service of the federal government often does not take account of the economic realities of a particular industry or of the over-all interests of the community it supports or the province in its decision-making respecting pollution control.

That is a very serious indictment. It was presented to the committee by the deputy minister of the environment of the province of Nova Scotia. Discussions between the federal Department of Fisheries and the Nova Scotia department of the environment really only began in Saskatoon after June 2, 1977. Despite all the years this bill was lying around, it is almost incredible to me that this should be the case. The prior knowledge that they as a department had was gained in August of 1976 at a meeting of officials, at which approximately five minutes were spent telling them the type of amendments and the subjects that were going to be covered. There were, however, no detailed discussions. Dr. Henry Landis, representing the province of Ontario, said when he appeared before the committee:

So far as I am concerned, the consultation was 100 per cent one way from the Environment Canada; not the other way around.

All the concerns I had were really regarded as not realistic, not practical, because the Bill was not going to be administered in this way.

I pointed out that in my opinion the bill has to be evaluated not by the intention of the government or the administrators as to how it will be administered in the future but as to what it authorizes. Administrators change with the passing of time, but the words remain in law, and you may have an administrator today who takes one view; you may have a different administrator tomorrow who interprets it differently. I made this quite clear to the people I spoke to.

Those are the words of Dr. Henry Landis who presented an outstanding brief to the committee. I hope those administrators within the Department of Fisheries and within the Department of the Environment will take time to read that brief carefully. It represents many weeks of deep thought and consideration of the problems which will arise between federal and provincial governments because of Bill C-38. At second reading I raised the matter of the problems which would arise if the federal government did not properly consult with the provinces. At that time I said the following:

On this side of the House we are concerned about the possibility of a federal-provincial confrontation over pollution. At the present time the federal government has control over any pollution which affects fish in their aquatic habitat, while provincial governments have control over any pollution which affects their waters in general. In my view, the federal and provincial governments should come to a firmer understanding and commitment on what each controls, and the powers that each can exercise. Otherwise, there is a tendency to confrontation, which I submit can only place further burdens on our presently strained national unity and on our already over-strained Canadian confederation.

It seems to me, when I look at some of these proposals, almost as though they are part of a deliberate plan to break up Canada, a deliberate plan to confront the provinces with policies and powers that should be vested in the provinces. I submit that federal-provincial co-operation is essential, because a province can delay the implementation of any federal anti-pollution regulation. In the case of controversial pollution issues, the provinces could claim that the federal government has responsibility, whereas the federal government could claim the opposite. Without a previous understanding, nothing would be done except pass the buck. Furthermore, what might happen where an industry located in an economically depressed region of Canada—heaven knows, the minister is well aware of some of these regions—might refuse to comply with the federal anti-pollution standards. If the province came to the defence of the industry, would the Supreme Court uphold as constitutional the federal government's claim over water pollution?

Although these are hypothetical examples, they are real possibilities if federal-provincial jurisdiction over pollution is not clearly delineated. It is because of factors such as I have outlined that the government not only faces unrest in one province—namely, Quebec—but similar unrest in Atlantic Canada, central Canada, Ontario and the western provinces. I raise this not to be critical but in the hope that the minister and his colleagues will carefully examine these matters when drawing up bills.

● (2120)

The Nova Scotia brief asserted as follows:

Some of the proposed amendments are foreign to the terms of confederation, incompatible with fundamental tenets of natural resource management, and contradict the federal government's own policies and legislation respecting the conservation, development and utilization of water resources to ensure their optimum use for the benefit of all Canadians.

Furthermore, the Ontario brief said:

The amendments in their present form, if enacted, constitute a serious threat to the administration of the ministry of the environment's programs and the legal validity of its legislation.

The amendments should be evaluated not by how they may be administered but rather by what they authorize. If this standard is applied, they authorize environmental control which, in significant respects, goes beyond anything contained in Ontario's legislation, duplicates important parts of it, authorizes actions which could have adverse effects on the economy of Ontario and imposes on industries and municipalities duties and liabilities with respect to reporting and cleanup which are unreasonable.

The application of the amendments in Ontario, which has effective environmental legislation and programs, is unnecessary.

The conflicts between the federal and the provincial governments are apparent. Because of the manner in which the federal government decided to proceed, that is, arbitrary enactment without prior and intensive consultation, I am not as hopeful now as when the bill was first introduced that C-38 will be an effective pollution control instrument. I submit that consultation could have ensured co-operation. At this stage I

can only express the hope that the government will realize the valid concerns of the provincial administrations affected by this legislation and will take every opportunity to consult the provincial environment ministers before taking any action that impinges on provincial jurisdiction or authority.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, although I looked forward anxiously to the introduction of this bill, I do not criticize the government for the long time it spent considering it after first reading. I say this because I think all hon. members want us to pass a strong, viable, flexible and effective fisheries act. I suggest that for the co-operation extended it, even to the point of courtesy, the government should be truly thankful.

The second reading debate took one day. The committee heard five or six witnesses per scheduled session, and the sessions extended well beyond the scheduled time. That committee discussed, approved and rejected certain amendments. I suggest that the department has reason to expect we shall finish debating the bill this evening, which is more than the government deserves—and I take no pride in saying that. Certain groups in Canada need our help, and although we may be disappointed at the government's presenting us with the present version of this fisheries legislation, we must put our disappointment aside in the interest of serving the many Canadians affected.

I shall talk under three headings. I shall discuss the process of consultation, the process of interpretation, and the process of implementation related to Bill C-38. I support what my colleague from South Shore (Mr. Crouse) said about consultation. I sympathize with the department which faced certain difficulties when consulting with industry; but the department should have known, when seeking to strengthen our fisheries legislation, that it would run into opposition from various segments of our industrial community. Naturally, it would seek to avoid such opposition if possible. Although I sympathize with it, I do not necessarily agree with what it did, since I do not think the avoidance of opposition necessarily serves the industry or the government.

Too often in the past we have circumvented the consultative process. However, I must be fair. I point out that after the bill was given second reading on February 21, I believe, the various associations involved with the industry showed almost no interest in the bill for up to three months and more. That disturbs me, since the headquarters of many of the associations dealing with fisheries questions are based in Ottawa. They could have monitored the legislation, and their failure in this regard disappoints me and no doubt disappoints the industry as well. I do not point an accusing finger only at the department or the minister. The fact that the industry did not respond as it ought to have disappoints me. I think it should have responded and shown some concern after the bill was given first reading.

My main concern about the consultative process relates to the provinces. I think one of the most important parts in the debate on second reading is contained in the following part of the minister's statement as reported on May 16 in *Hansard* at page 5669.

> In the application of the pollution provisions of the Fisheries Act to industry, we try to work co-operatively with provincial governments. Over many months leading up to the final preparation of this legislation, my officials consulted with their provincial counterparts. Many of the proposals in this bill are a result of those consultations, and I might say that in some cases provincial input helped us to improve this legislation. To the best of our knowledge, all provincial fisheries ministers are supportive. Several provincial ministers of environment or resources have written to me outlining some concerns over the impact of certain environmental aspects of the legislation, asking that there be some discussion of this at the meeting of the Canadian council of resource and environment ministers to be held in Saskatoon on June 1 and 2.

The minister went on to say:

> I see no problem in ensuring that provincial concerns can be fully met and considered in time for the committee's consideration of this bill, if the House so agrees to passage.

I do not question the minister's statement that there was consultation with various provincial counterparts. I suggest that the clear evidence brought out in committee showed that provincial governments—not ministers or their departments—opposed the legislation on this basis: there had been lack of consultation. I suggest, if the consultative process worked vis-à-vis fisheries ministers, the fact that it did not work in the case of environment and resource ministers is inexcusable and indefensible. Since the federal government has a history of consulting with regard to environmental legislation, the provincial governments have every reason to expect they would be consulted in advance, and were consequently lulled into thinking that no major amendments to the Fisheries Act would be passed in the absence of consultation. That, I suggest, puts the government in an indefensible position. I suggest that the department was obligated to consult with the provinces before going ahead with the substantial amendments incorporated in Bill C-38.

● (2130)

They had an obligation before first reading when the bill was in the draft stage. Frankly, it was fairly widely circulated among certain people in certain departments. After first reading they had an obligation to contact the various ministers of environment and resources personally and state that this was their draft legislation which received first reading on February 21. If there were matters of concern to them, or matters which they would like to have discussed with the federal government, they should have been told to contact the department. That is the least that would be expected because of the history of the consultative process on environmental legislation. I support that history, process, and policy.

One could anticipate provincial objection. There is no question that this is a massive movement into an area that the provinces have considered their jurisdiction. I do not think that was ever denied in committee by anyone.

I am not arguing the constitutionality of it, but when we start talking about water intake and that sort of thing, there is no doubt that this is an area where provincial governments feel they have had rather exclusive jurisdiction for some time.

Whether that feeling is correct or incorrect constitutionally, I make no comment.

When that situation exists, there must surely be a heavy onus on the federal government when it proposes substantial and substantive changes to the Fisheries Act to go through the consultative process. In my view that process in connection with Bill C-38 was a failure.

It particularly disturbs me when I find that probably the consultative process with provincial ministers of fisheries was satisfactory but was unsatisfactory with provincial ministers of environment and resources. That has to be completely inexcusable. If one can consult and secure the concurrence of a provincial minister of fisheries, and apparently the provincial minister of the environment perceives he was not consulted, that is not an acceptable situation.

Point number two is the interpretation of this legislation. I suffer the advantage or disadvantage, and I am not sure which, of looking at this legislation through the eyes of a lawyer. I construe it strictly. Maybe in this case it is a disadvantage. The history of the Fisheries Act, as I understand it, was an interpretation that is much broader and much more liberal than might be construed by someone with legal training, reading it as a lawyer might read it.

If the tendency was to interpret this legislation strictly according to legal tenets, it may be in some difficulty. I remember very well one clause that I read as imposing strict liability on a group of people or potential defendants. However, I was assured in committee that that was not the case, that to be guilty or to offend this particular section would require if not intent at least negligence. I will be interested in seeing how the courts interpret that section.

Groups of people may be perfectly innocent of any intent or negligence and may be found guilty under these sections. The owner of a deleterious substance, he who has control over that substance or he who permitted that substance to fall into a waterway, any one of the three are jointly and severally liable under that section. I sincerely hope that some reason will prevail in terms of the interpretation of that section.

I sincerely hope that in terms of the constitutional analysis of this legislation that we will not wind up with the situation about which fears were expressed by some departmental deputy ministers and other provincial witnesses. They suffer a very reasonable fear that, because of certain principles of constitutional law, certain provincial and environmental legislation may become invalid. That disturbs me very much. I wonder whether we should have been more persistent in committee in insisting that provision be made in the legislation that would indicate an intent not to occupy certain provincial fields. However, that will be left to the courts.

The final point is the implementation of this legislation. If it is implemented with a heavy hand there will be some serious difficulties. I have no hesitation in supporting legislation designed to catch and punish him who wilfully pollutes or him whose negligence is such that he simply does not care about environment and pollution. I have no hesitation in supporting strong legislation in that regard. However, I have serious reservations about the ability to use this legislation under the guise of fisheries to determine the course of development, construction, non-construction, preservation or desecration of land that would normally be the responsibility of the provincial and municipal governments.

If a heavy hand were applied under this legislation, the location of industry could easily be controlled under this act. That has not been and I hope it never becomes the history of the Fisheries Act, but I point out that serious potential danger.

For example, the environmental protection service, which to my knowledge has never used the act in that fashion, should not become zealous and seek to catch in the same net the wilful or negligent polluter, innocent polluters who make mistakes or those who have no control over the mistakes of others such as the owner of a deleterious substance who had no control over and was not negligent in permitting that substance to pollute.

In closing, I say again that my colleagues in this party want a strong and enforceable Fisheries Act. It is needed. Amendments to this legislation were needed. I hope that the consultative process will be restored. It has been damaged in some degree in Bill C-38. I hope the consultative process under the act, including the amendment passed tonight, will be used wisely and often. I hope the act will be interpreted not as a lawyer would interpret it but in a more liberal fashion. Finally, I hope it will be implemented with reason. If we are going to fight pollution in this country, co-operation and consultation are much better than penalty.

I say again that the government is very fortunate to have secured the co-operation, assistance and input of other parties in this House in view of the history of this legislation in which I, if I were a government member, would take no great pride.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will not take too much time of the House because I am very concerned that we pass this bill on third reading tonight. I think it is a very useful piece of legislation.

● (2140)

The hon. member for Perth-Wilmot (Mr. Jarvis) summed it up very well when he pointed out that the legislation has all-party support. The approach the government has taken in drafting the bill and in being fairly reasonable in committee with respect to amendments was a wise one. I know some of the opposition amendments succeeded. The value of the bill is not merely its capacity to put some clout into protecting fish habitat; the real value of the bill, and I am not sure the government understand it yet, is that it says something about valuing our renewable resources. It places a premium on our renewable resources. The measure before us happens to deal with fish, but we can all think of other resources on which a higher premium ought to be placed, for example, our forests. With this bill, the debate on the nature of an industrial society has been moved forward.

We constantly talk in this House about ways of creating more jobs. In seeking this objective we most often go the traditional route by establishing industries, industries which are bound to phase workers out through improved technology, and decrease the cost of the product. A better answer, surely, would be to raise the value of our renewable resources and put more people to work in the renewable resources sector. In my opinion the government deserves credit for what it has done by way of this bill.

I am sure every member of the committee has been approached by various companies and groups with regard to the bill—I am thinking particularly of the mining and forestry industry. Knowing the members of the committee, I think I can say all of them have studied with care the briefs presented to them. They raise rather serious examples to show that should the bill be implemented with a heavy hand there is likely to be somewhat serious industrial dislocation. I have to say to both the mining and the forest industries in British Columbia that if they had shown a little more concern about the value of the fish in the province they might not have been faced with this bill today. I believe that industry and fish can live together. There is no need for them to be in conflict. But at the moment conflict is the rule rather than the exception; the mining industry, in particular, has ignored the value of the fishing resource time and time again.

The best example is probably that placed before the committee by the B.C. Wildlife Federation. They dealt with a river which runs very close to my riding, actually the old riding of Fraser Valley West—the Coquitlam River. Twenty years ago this river produced between 4,000 and 5,000 pink salmon, the same number of Chum salmon, between 1,500 and 2,000 Cohoe salmon, and the same number of steelhead trout.

In its wisdom the municipality decided to allow gravel mining operations right in the bed of the river. Subsequently such operations were carried out on the banks of the river but the silt-laden water that went into the stream destroyed the fish habitat. The difficulty was that this did not necessarily constitute a violation of the Fisheries Act because it could not satisfactorily be proven that the spawn itself was being destroyed. In fact what was being destroyed was the habitat, so the fish were not spawned at all. If this fishery had been maintained instead of the gravel industry, the economic value of the Coquitlam River fishing resource would today be $4 million a year. That is a measure of the destruction which has gone on in the past. Therefore I say to the mining industry, to the forest industry and to other industries which are concerned about these provisions that if they would co-operate with the people of British Columbia and with the Department of Fisheries I firmly believe the bill we are considering does not need to be destructive and that it can do the job of bringing back this precious resource.

In the Fraser River, the anadromous fish stock has declined by some 50 per cent in the last 30 years. We can bring this resource back and we can stop what has been a massive and concerted attack on the fish habitat.

I must say I had some initial reservations about the strict liability provisions of the bill, but thinking back to some of the legal principles of Rylands and Fletcher, since industry decides to place deleterious substances into the environment, since it decides to move those substances, I frankly do not see it is immoral that strict liability should attach to those who move those substances. After all, who is placing those substances into the environment to damage the resource? Therefore the screams which come from industry on this matter have fallen on deaf ears in this House, as I think they should. In my opinion we have to quit playing around nervously and put the onus where it belongs. The onus is on those who bring deleterious substances into the environment.

Of course, I am disappointed that the House did not see fit to accept the amendment which would have given the minister discretion to shut down those rivers which are mercury-polluted as a result of which the health of Canadians could be affected. I think it is inconsistent for us to be talking about giving the minister very substantial additional powers and yet he refuses to accept a key power by which he would have the authority not merely to protect the health of fish but also, perhaps, to protect the health of humans at the same time.

As I say, I am in general agreement with the remarks previously made by the hon. member for Perth-Wilmot. I think the government is entitled to be congratulated on having brought this bill forward. Again, though, I would draw attention to the fact that it carries all-party support. I am satisfied that it is a necessary pre-condition to the renewal of recreational and commercial fishing in British Columbia.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in speaking to the bill before us, in the consideration of which I have participated throughout second reading, committee stage, and now at report stage and third reading, I would say there are some concerns which have persisted. One of them was recently recalled to my mind when the hon. member for New Westminster (Mr. Leggatt) brought forward his amendment.

Turning to the minister's statement made in the Committee on Fisheries and Forestry, I would like to refer to page four of his address to that committee on June 16. The minister at that time referred to the impact of pollution on our rivers and said: "How many English Wabagoons can those who rely on Canada's fisheries stand?" He then went on to say, as can be found on page five of his statement:

The Fisheries Act exists for the people of Canada to protect their common property fish resource. The Fisheries Act is important to the fishermen of Canada, many of whom do not have alternate employment opportunities and many of them of native origin.

● (2150)

In light of those statements alone contained in the minister's speech to the committee, I am surprised at the actions of the government in voting against the amendment proposed by the hon. member for New Westminster today.

I should like to deal with another concern which is raised at page 4 of the minister's speech of the same date, and which reads as follows:

The facts are in stark contrast to the imaginary problems which could arise through some possible irresponsible application of some part of the Fisheries Act by some fisheries officers at some time, in some places.

It would be probably a much more comfortable situation if I did not have to speak at third reading and acknowledge the fact that within the Kootenay West there is an equal mix and balance between industry and those whose principal concern is the impact of industry on the environment. However, I am not prepared to duck that particular responsibility. For example, there are companies taking water from the Columbia River and putting it back in: we have Cominco Ltd, Canadian Cellulose Pulp and Paper, Canadian Cellulose Saw Mills; and we have Kootenay Forest Products on Kootenay Lake, and Triangle Pacific on Slocan Lake, which subsequently flows into the Kootenay and thence into the Columbia system.

There is also a variety of mines which are in production from time to time. Their systems require the intake and outflow of water. The H. B. Mine is an example. I should like to draw attention to one situation which occurred with the H. B. Mine. One day they had a fracture in their line leading to their settling pond, and a couple of so-called environmentalists who were driving by noticed this outflow going across the highway. H. B. Mine is only a couple of miles up the mountain side over a good road. What did they do? They did not drive up the mountainside to H. B. Mine and tell them that they had a serious break in their outflow which was causing it to go into the Salmo River and not into their settling pond. Instead they travelled to Nelson and reported it to a fisheries officer who, some hours or days later, was able to take responsible action.

Charges were laid against H. B. Mine. In dealing with that particular case the judge chastised most severely those two so-called environmentalists who would rather penalize industry and catch them with an accidental spill than resolve the matter by going directly to the plant and advising them of the problem.

There is no question that there has to be a balance; there is no question that industry has some very legitimate concerns. If it becomes apparent that the ministry is using an iron fist within the scope of this bill, then they are going to be in trouble. Officials may satisfy a community of 4,000, 20,000 or 100,000 people for a week or two weeks when because of an accidental spill, an industry is shut down. But if their action is not a reasoned action, taken with a proper balance in decision-making, and if they go in with the clout which some official thinks he has, and may well have under this bill, as I say they may find they have satisfied the environmental concerns of the community for the first week. But when the pay cheques are no longer coming in, they may suddenly find that the situation has reversed itself. Of course I am dealing with the so-called imaginary problems to which the minister alluded. In statements made by members at the standing committee level, I think those concerns were addressed to the officials, and the minister has gone on record in assuring us that they will use a reasoned balance.

I do not want the people in my riding, or people anywhere in Canada, to think I am espousing the cause of industry, because I am not. I am aware of the environmental damage which has been created by some industries. There is no question of that. The evidence is on the record. Certainly there are those who seem simply not to care, probably and possibly as a result of previous amendments to the Fisheries Act and the introduction of environmental legislation. On the other hand there are those industries which have spent millions of dollars on improvement of their efforts to combat pollution. If we are going to force upon an industry the expenditure of millions of dollars to improve an effluent discharge by a decimal percentage point, then I ask where is the reasoned balance? I am sure those in my riding who share my environmental concern will accept that point and that argument.

There is one other area which gives me cause for concern, and I should like to refer to the minister's speech at page 8, which reads as follows:

For example, there is an over-all blanket requirement for the provision of fishways at all obstructions if this is demanded by the minister. Owners or proposers in fact cannot even start construction until the minister has approved the form and capacity, and location of fish passage structures at dams. I do not always exercise this authority; in fact, I weigh the relative value; the value of a dam for whatever purposes proposed and the value of the fisheries resources.

I wish we could have had statements of that sort from the minister during the period in which we were dealing with the Columbia River treaty. I wonder if the minister is going to have the intestinal fortitude to live up to his word, when it comes to the Revelstoke Dam. Regardless of the Columbia River treaty, will the minister have the guts to live up to his word when it comes to the diversion of the Kootenay River into the Columbia River? As a result of the Columbia River treaty, already we are finding that the nutrients in the Kootenay Lake have changed, that water temperatures have changed, and that fisheries have dropped dramatically. Under that treaty we saw the total destruction of the spawning beds, all except one, that for the famous Kootenay Lake trout, a special individual species running up to 30 pounds and 40 pounds. We have seen the destruction of the spawning beds of the Kokanee, a landlocked salmon, sometimes called redfish. It is true they have put in false spawning beds which seem to have helped the Kokanee to recover. The facts are that fisheries have degenerated and deteriorated.

● (2200)

If the minister is not prepared to use his clout nothing will happen. There will be no freshwater fishery on the Columbia system or on the Kootenay . I want the minister to know that the people of Kootenay West and the people of British Columbia will be watching very closely to see what he and his department do about this type of construction which in some cases, I believe, could be classified as destruction.

I wonder whether this minister would have insisted upon fish ladders at the Keenleyside Dam—that dam constructed under the Columbia Treaty which we discover now was not needed. Regarding the minister's statement at committee on hydro projects or dams of any nature, I want him to know that I, and probably a lot of other members, will be watching very closely to see what he and his department are doing.

Some hon. Members: Hear, hear!

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I intend to restrict my remarks on Bill C-38 to a rather narrow area. I am not a member of the committee and it would not be wise for me to try to go through this bill in detail. The part I wish to speak about is the absence of any provision for, or clarification of, the means by which communities can be reimbursed for their work in cleaning up small oil spills where the culprit is unknown. I take it that deleterious objects on the water would include an oil slick.

I am not quite certain who is taking responsibility for this bill at the present time, Mr. Speaker. It may be the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) or the Parliamentary Secretary to the Minister of Fisheries and the Environment (Mr. Fleming), but I hope whoever is responsible will take note of this problem and give an answer later in the debate, or perhaps even write me about it.

This is not a great financial problem, but an important principle is involved. The government has advocated that communities and municipalities make plans to cope with oil spills, and has set up a maritime pollution disaster fund to reimburse moneys spent when the offending vessel cannot be identified. The money for this fund is collected from the tankers and oil companies.

I became interested in this matter about four years ago when there was an oil spill at the community of Oak Bay near Victoria. It happened in the evening and they could see the oil slick coming to shore. We all know that the best time to clean a spill up is while it is waterborne, and this is what they did, finishing at about four o'clock in the morning. They spent about $400 on the project, but then came the hard part. They tried for months to collect the money and, although they had properly receipted vouchers, were unable to get anywhere.

I took the matter up with the Minister of Transport of the day, the Hon. Jean Marchand. He had already told us that transport was in a mess, and certainly from the way the Oak Bay claim was handled this seemed to be so. When I pursued the matter I was referred to the Department of the Environment, but had no better success there. During a debate in this House the then minister of fisheries, the Hon. Jack Davis said I should have brought it to his attention and he undertook to see that Oak Bay was reimbursed. Unfortunately an election was called and he disappeared from the scene; he later resurfaced as a member of the provincial government of British Columbia.

Some two years after the event it was established that the Maritime Pollution Disaster Fund came under the Department of Transport, so I wrote to it. I ran into a very highly intelligent and capable civil servant, who was most polite and obliging. He knew the act from one end to the other, upside down and backwards, and would do anything except pay any money out of the maritime pollution disaster fund, which by then had grown to $30 million. I have kept on trying ever since. The fund went up to $40 million. At one time when I asked a question on the order paper as to its size, that is what they told me. Now it is $48 million.

I cannot say that the fund is a disaster—it is a disaster fund—but out of all the money they have collected up to date, they have paid out only $300, and some to a fisherman in Gaspé. It took a great deal of willpower on my part to resist the curiosity which I felt and not to inquire further as to how that fisherman in Gaspé managed to get some money out of the fund, because the main excuse that was given to me for not paying the municipality in my constituency was that they did not have prior Privy Council approval before they started to work.

I realize that with the time zone changes a man from Gaspé would have more chance of waking up cabinet ministers in the middle of the night than we do in Victoria, but I do not know what would happen if an outlying municipality tried to wake up the Privy Council to get their approval before it attacked an oil spill at 4 a.m. Ottawa time.

It is now four years since we first attempted to receive any succour from the government, and I see nothing in this bill that will make it any easier to get any money out of the maritime pollution disaster fund. I hope the Minister of State for Fitness and Amateur Sport or the parliamentary secretary will clarify whether they simply intend to collect money forever for the fund so it will end up like the pension fund for the civil servants, or whether they intend somehow, some day, to pay money out to communities which do the sensible thing and clean up oil spills before they pollute their beaches.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I can certainly keep within the time limits. I understand there is a disposition to have the measure passed tonight, but I should be able to finish well within the 20 minutes.

The reason I am speaking is primarily that in examining the bill before us this evening I find that 12 of its 22 clauses involve a field somewhat special to me, that is, the power of ministers, of the Governor in Council, to exercise discretion, to make decisions, and to regulate. This can be a pretty awesome power.

As everybody knows, it has become a very common habit in the legislative process today to include the right to make regulations and orders in council. I suspect, without being all that specific, that at least 80 per cent of our legislation includes that power, and it is a matter that has concerned members on all sides of the House before, and will continue to concern them. I made the point previously that it is not so much the fact that these powers are written into modern day legislation that should concern us as the problem that we should be able to deal with that sort of thing effectively. Whether we do or not, I really cannot say.

I know, as co-chairman of the committee to which these regulations and orders in council are referred on a rather generous basis, that we do our best to deal with the sub-delegated authority, what I would like to call the shadow parliament which takes over when we, the House of Commons and the other place, have had our say. The fact is, however—and I

think everyone would recognize this as a fact of life—that once legislation has cleared this House, we tend to go on to other matters. That legislation is over and done with, as far as we are concerned. Presumably the watchdog committee, the Standing Committee on Regulations and Other Statutory Instruments, has to play some role, but sometimes I have doubts as to whether that is a sufficient manner of dealing with the rules and regulations which develop from our legislation.

● (2210)

In any event, to be very specific, there are 22 clauses in this bill which deal with discretionary and regulatory options, and having looked at the bill some new thoughts about the problems which can arise have come to me. One new thought is simply this: we are in a rather sensitive area involving provincial jurisdiction over waters which are inland, and through this legislation we are attempting to exercise federal jurisdiction. Provincial acts are very much like the legislation we are considering this evening. Regulations can be made under those provincial acts, and I think they probably create a fair amount of difficulty for the people in the pulp and paper industry. I will follow up my theme as I make my speech. I have made a preamble, and now I am going to make a speech.

I would like to quote from a letter which was sent to me by a very distinguished Nova Scotian who served in the House of Commons very well on behalf of the Halifax constituency. The letter is from John A. Dickey. I think he was a member from about 1947 until about 1957. He is now the president of Nova Scotia Pulp Limited. In his letter Mr. Dickey makes a point about the importance of the pulp and paper industry to the economic life of Nova Scotia and of Canada. Mr. Dickey's letter reads in part as follows:

> While Canada possesses only 10 per cent of the world's supply of wood fibre it has for many years had the largest export of wood fibre in the world. In Canadian terms the industry is the largest Canadian earner of foreign exchange. This stature as you can appreciate has been achieved not because of a monopoly position in the raw material for the industry but by reason of ability to manufacture and export wood fibre in its various usable forms more economically than our competitors. Unhappily at the present time by reason of cost increases for the Canadian industry which are out of line with those of our major competitors, notably in wage rates, the Canadian industry has essentially lost its competitive advantage. By any standards the Canadian industry has met world standards in pollution control and environmental protection though this is inevitably a long and continuing process of improvement. We feel very strongly that this is no time to impose further strains upon the industry's struggle for survival beyond those absolutely necessary to achieve what is on balance the public good.

In an appearence before the committee which dealt with this measure the minister of the environment for the province of Nova Scotia, the Hon. Vincent J. MacLean, made what I thought was a pretty good point. I will put it on the record here. It is, of course, on the record of the committee proceedings.

> In summary, the province of Nova Scotia does not believe that the Fathers of Confederation intended that the fishery power extended to the federal government should be the supreme power with respect to water resources management or to local works and undertakings. In particular, we do not believe that such pre-eminence to fisheries matters should pertain to waters internal to the province.

[Mr. McCleave.]

If this legislation is to be effective, it must enter that delicate field.

Leaving aside that aspect of the dominion-provincial conflict, may I suggest, as I have suggested previously, that when we deal with a sensitive area such as this where the regulatory power is really the name of the game, much more so than the bare bones of the legislation, we should adopt the practice of bringing before the committee considering the legislation the draft of the regulations which will be effective under that legislation. I know those regulations will eventually be referred to the statutory instruments committee for its surveillance, along with other regulations and other statutory instruments. I am the co-chairman of that committee; I think it is the best committee in parliament; and I think we do a darned good job.

Some hon. Members: Hear, hear!

Mr. McCleave: I may say, if I blow my own horn, at least I blow it at myself instead of at other people. We tend to be a special crowd in that committee and perhaps not fully appreciative of some of the minutiae or major points of the regulations which come before us. If we have no farmers on the committee, perhaps we cannot assess well all the regulations dealing with the farming industry. If we do not have fishery experts on the committee like my hon. friend from South Shore, we may suffer from the same disability with respect to fisheries matters, although our intentions may be the best in the world. Of course we deal with legal matters. I suggest that not one legal matter escapes the eye of the committee, although perhaps we are missing some of the practical, down-to-earth points concerning the actual operations of trades and industries which are affected by the regulations. That is why I make my point again, and I hope some day it will grow into a school of thought.

I want this practice to grow up that, when it is practicable and possible, the regulations which must accompany an act should be drafted and presented to the committee which deals with the act in the first place. That would give us another shot at parliamentary direction, direction as to what the act intends to do. True, as time goes by these regulations will be monitored. As anyone will tell you who has ever attended meetings of the statutory instruments committee, some of the regulations which accompany some pieces of legislation are incredibly voluminous and would fill many volumes on anybody's book shelf. Nevertheless, I suggest that the practice of looking at draft regulations initially would be a good one. I hope a school of thought holding that opinion will grow up and I intend to do all I can to found that particular school of thought.

When regulatory rights accompany any legislation, the regulations should be examined by the committee which considers the act as well. In that way our parliamentary performance will improve 100 per cent. The Canadian Manufacturers' Association is of the same school of thought, I may say. Mr. Roy A. Phillips, executive director, touched on this point in the letter he wrote me on June 23, 1977, a paragraph of which I shall quote. He said:

The real problem with Bill C-38 is its legislative scheme. The bill creates blanket offences by turning most people who conduct themselves normally in an aquatic environment into criminals—unless their conduct has been exempted either by ministerial authorization or regulation by Governor in Council. This leads to the paradoxical result that this wide power of exemption may be desirable if only to arm the government with the means of 'decriminalizing' normal conduct.

● (2220)

We should consider some of the fines that are set forth in Bill C-38. Consider the nature of the offences that are created thereby. Consider that you, Mr. Speaker, and I might inadvertently be breaking the law by putting our toes into a pond, perhaps trampling on a small fish and thereby destroying some of the aquatic environment. That would not be done intentionally. We would not want to be subjected to some large fine, some process of law, or be hauled away by the scruff of the neck into a court. Nonetheless it is a possibility that all of these things could happen.

I realize that I am speaking after the fact. I do not intend to oppose the bill. I understand it has received the approbation of the committee. Those people worked hard and long. I understand the enormous battle that goes on between the environmentalists and that particular industry. It is not for me to come in late in the day to raise this again, except that I do have to view some of the powers set forth. For example, in Clause 9 on page 10 of what we are considering this evening, it states:

An inspector may, at any reasonable time, enter any place, premises, vehicle or vessel, other than a private dwelling place or any part of any place, premises, vehicle or vessel used as a permanent or temporary private dwelling place, where he reasonably believes—

I suppose in short that means the inspector is entitled to board a ship if the owner of the ship has not used it for his private dwelling place. Most people would consider that a ship is not a private dwelling place. To do that without the benefit of a search warrant is an extremely dangerous provision to have written into the legislation of this country.

Clause 12 on page 16 reads in part:

35. Any fishery officer may search or break open and search any building, vehicle, vessel or place where he has reason to believe that any fish taken in contravention of this Act or the regulations, or anything used in contravention thereof, is located."

Again, that is a very large power. I wonder if it is really necessary. Modern communications being what they are, somebody could apply for a search warrant. At least then there would be the intervening step of some judicial officer who may say, "Slow down; maybe you do not have reasonable and probable grounds; maybe you are a bit excited without due cause."

Those are my thoughts on this. I gather somebody else would like to make an intervention before we pass this measure and I am pleased to yield the floor.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I shall be as brief as I possibly can. I think I have some responsibility on behalf of my minister to respond to some of the concerns expressed by members opposite. If that goes a moment or two past 10:30, perhaps hon. members will be kind enough not to notice the clock and, if it is agreeable to hon. members, we might bring this debate to a conclusion.

Some hon. Members: Agreed.

Mr. Fleming: The Minister of Fisheries and the Environment (Mr. LeBlanc) has asked me to express his disappointment at not being able to be here today at the report stage and third reading of Bill C-38. He was unable to return from British Columbia in the short time available since we received confirmation that Bill C-38 would be discussed in the House today. He has asked me to make a brief statement which he would have presented had he been here. It is as follows:

"I am pleased to speak at third reading of Bill C-38, an act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof. This bill received first reading on February 21, and at second reading on May 16 it received unanimous support in principle from all parties of this House. Since then the Standing Committee on Fisheries and Forestry has devoted seven sessions to Bill C-38. The views of industry, several provinces and some special interest groups have been heard. It is important to note the hard work of this standing committee. They extended hours of hearings to allow for all who wished to express their views. I would personally like to take this opportunity to express my appreciation to members of all parties who participated in the standing committee sessions dealing with Bill C-38.

"These committee sessions have resulted in many improvements which will help us in managing the important fisheries resources of Canada. All parties have contributed in this process and all have recognized the need for amendments to the Fisheries Act to allow us to deal more effectively with poaching, fish habitat protection and pollution of Canada's fisheries waters. I personally attended all of the committee's clause by clause sessions on Bill C-38 and know how diligent were the members to ensure that constructive views presented to the committee were reflected in the revised bill now before us. As a result, definitions have been sharpened, many provisions have been modified to reflect better the need and intent of the legislation, powers have been scrutinized closely, the application of the existing provisions has been questioned, and clarification has been sought concerning the future application of any new provisions."

The minister concludes: "I am grateful that Bill C-38 received this scrutiny and hopeful that with agreement on third reading it will soon be given consideration in the other place."

Again, on behalf of my minister, I wish to thank members of the opposition parties for their close co-operation throughout the committee review stage.

Perhaps I might, as parliamentary secretary, make a few brief observations in response to the opinions expressed by hon. members during the discussion tonight. I note the concern expressed by the hon. member for South Shore (Mr. Crouse) about the problem of the shortage of fisheries officers to carry

out additional responsibility under this law. I know the hon. member raised this point in committee and that the minister responded to it there. I will draw the matter to his attention again. I also note the concern expressed by the hon. member for Kootenay West (Mr. Brisco), in particular about the question of fish guards and enforcement by the federal government of the powers set out under the act.

The hon. member for Victoria (Mr. McKinnon) expressed concern about what experts in the department call "mystery spills". While I am no expert in this area I will ensure that he gets an explanation of the situation shortly. He will thus have a response, as requested.

The official opposition spokesmen for matters concerning both fisheries and the environment raised the question of consultation. I would simply say that in my view there was a considerable amount of consultation in the course of seeking appropriate amendments over several years, leading to the point at which the bill was actually put together. The difficulty which then arose was that, once the bill had been assembled and placed before cabinet, there could not be consultation as to the form of the bill until it had been tabled in the House—there could not be consultation with other levels of government or with industry. It was tabled on February 21 and some months passed—not a great many—before we found ourselves in committee. I suggest there might well have been either a lack of alertness on the part of some industries with professional forces here in Ottawa to the tabling of the bill, or perhaps there might even be the possibility of certain groups not moving as quickly as they might have done in showing a response. In any event, I do believe that when they were heard in committee all sides did their very best to accommodate the various concerns expressed and, as a result of that co-operation, we now have a much better bill.

The hon. member for South Shore made a particular reference to Dr. Landis, the chief legal counsel, I believe, in the department of environment and resources in Ontario, and I know that Dr. Landis, while he did put forward several excellent amendments which were included in this bill, admitted himself in committee that he had spoken on a number of occasions—I think he suggested a dozen occasions—with officials of the department.

• (2230)

Our problem may be one of the general legislative process. Often it takes a year and a half or two years for a bill to go through the process of parliament. This one was tabled on February 21 and has been dealt with, once we got to that stage, rather promptly. Perhaps that is one of the difficulties—that industry and the provinces did not expect it to happen so quickly. At any rate, I believe we had positive activity in committee and most of the major concerns were responded to by us.

The hon. member for Kootenay West and the hon. member for Perth-Wilmot (Mr. Jarvis) expressed worry about the use of a heavy hand in applying this legislation. As they are aware, that was discussed in committee. I believe the hon. member for Halifax-East Hants (Mr. McCleave) also referred to that and expressed a fear that that kind of power in the bill can be used indiscriminately. Not one witness before the committee from industry, or from the provinces, suggested that the government had acted in a heavy handed way with the Fisheries Act as it exists. Although it is very similar in power at this point in time, this bill is simply an extension of some of those powers. I want to commend the even handedness of the department, the officials and the minister in carrying out the law. I certainly share the concern of all members in hoping that that practice continues.

Finally, if I may, I echo my minister in commending all hon. members, especially those active in committee who helped prove that thoughtful, positive exchanges can improve legislation and meet major concerns, as they did so well in the case of Bill C-38.

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

Some hon. Members: Question.

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

The Acting Speaker (Mr. Ethier): Order, please. It being 10.30 o'clock p.m., I do now leave the chair until Wednesday, June 29, 1977, at two o'clock p.m., pursuant to Standing Order 2(1).

At 10.35 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, June 29, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CONFLICT OF INTEREST

PROPOSED INQUIRY INTO RELATIONSHIP OF CERTAIN PERSONS WITH HYDROCULTURE LUWASA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity under the terms of Standing Order 43, concerning Hydroculture Luwasa Canada Limited, possible conflict of interest and illegalities existing on the part of certain persons and press comments today by the Prime Minister's principal secretary, James Coutts, admitting he was a director and shareholder in 1975 but does not know his present position with that company.

Some hon. Members: Oh!

Mr. Cossitt: I move, seconded by the hon. member for Colchester-Cumberland North (Mr. Coates):

That a public inquiry immediately examine the position and influence of the following persons with reference to receipt of government business by Hydroculture Luwasa Canada Limited, namely, directors of that company, Liberal Party pollster, Martin Goldfarb, his brother, Harvey Goldfarb, Liberal Campaign Chairman, Senator Keith Davey, and, finally, the investigation examine the position of James Coutts and another brother, Stanley Goldfarb, named in today's press by Mr. Coutts as being in charge of a "blind trust" for Mr. Coutts.

Mr. Speaker: Under Standing Order 43 the presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No!

* * *

FISHERIES

SUGGESTED SUPPORT FOR TEN-YEAR MORATORIUM ON WHALING ACTIVITIES—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Thank you, Mr. Speaker. Under the provisions of the same standing order I, too, rise on a matter of urgent and pressing necessity. In view of the fact that the International Whaling Commission is now meeting in Canberra, Australia, and in view of the fact that the United States, Mexico, France and other countries have given unanimous support for a ten-year moratorium to be placed on all international whaling activities and in view of Canada's consistent refusal to accept a ban on importing whale products to support conservation activities and its failure to support the ten-year whaling moratorium, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the Canadian delegation at this conference to support the position taken by the United States for a ten-year moratorium on whaling activities and a ban on the importation of whale products.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

SUGGESTED SPEED-UP OF HIGHWAY IMPROVEMENT IN QUEBEC—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Bearing in mind the fact that the federal Minister of Regional Economic Expansion and his counterpart responsible for the Quebec Planning and Development Bureau reached an agreement on June 22 last, on behalf of the two levels of government, which will allow for upgrading many roads in Quebec in an amount of $264,600,000, and that of Highway 117 leading to northwestern Quebec will benefit from that agreement in an amount of $36 million; and the fact that this agreement proves that it is possible for ministers of the two levels of government to cooperate and agree in the best interest of the citizens; and the fact that those agreements are much more useful and profitable to the people than battles with figures and other negative confrontations waged by some other ministers, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House encourage the ministers to avoid useless confrontations and sterile fights with figures and work instead on the agreement such as that which was negotiated by Messrs. Lessard and Léonard which agreement will help give Quebecers better roads in coming years.

Air Canada

Mr. Speaker: Order. Pursuant to the provisions of Standing Order 43, the motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

METRIC CONVERSION

WITHDRAWAL OF PROVISIONS CONVERTING LAND MEASUREMENT SYSTEM—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the announcement by the government of the Province of Alberta that it will not convert its land measurement systems from acres to hectares, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House commend the Government of Alberta for reflecting the views of the majority and request that the minister consider withdrawing those provisions in the metric bill presently before the House providing for such changes in the area of federal jurisdiction.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No!

* * *

AIR CANADA

ALLEGED DISCRIMINATORY TREATMENT OF GROUP OF INDIANS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion is presented under the terms of Standing Order 43 as well. I wish to lay before the House an incident which may involve the most horrendous example of racial discrimination. I refer to the treatment of a group of native people by our national airline at the Ottawa airport. On Sunday afternoon, June 26, some 15 native persons returning home to the Northwest Territories and the Yukon from their annual conference in Ottawa were ordered off Air Canada flight No. 179, even though they held confirmed seats and were already placed on the plane. They were told that the computer had no record of their group.

To the best of my belief they were taken off this plane in order to give preferential treatment to other passengers. I am told their subsequent treatment by the people's airline was shameful and also of a discriminatory nature. In light of the foregoing I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

[Mr. Caouette (Villeneuve).]

That this House issue a reference to the Standing Committee on Transportation presently examining certain aspects of Air Canada's operations.

Mr. Speaker: Pursuant to Standing Order 43 the presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No!

An hon. Member: Government by computer!

* * *

● (1410)

VETERANS AFFAIRS

LACK OF PENSION FOR WIDOW OF VETERAN WHOSE DISABILITY PENSION WAS LESS THAN FORTY-EIGHT PER CENT—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because I believe that all members of the House support the intent of this motion, I ask leave to present it under Standing Order 43. I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House notes the increasing concern of all veterans' organizations with respect to the rule under which a veteran's widow receives no widow's pension unless the veteran was in receipt of a disability pension of 48 per cent or more, and this House calls on the government to correct this situation without further delay by providing pro-rata pensions for widows of veterans in cases where the veteran's disability pension was less than 48 per cent, as recommended by the Woods Commission, the Hermann Commission and the Standing Committee on Veterans Affairs.

Mr. Speaker: Order. Presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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COMMUNICATIONS

SUGGESTED WITHDRAWAL OF DECISION NOT TO LICENSE CHANNEL 4 TRANSMISSION BY ARROW LAKES SOCIETY—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent necessity, namely the decision of the CRTC, reported in the Arrow Lakes *News,* to refuse to renew the licence for the Arrow Lakes Television Society to carry channel 4 Spokane, effective September 30, 1977. In light of the fact that for over 20 years this Society has provided TV service to the residents of the town of Nakusp without a penny of federal funding, in light of the fact that for most of those 20 years there has been no CBC or CTV signal for them to carry, and in light of the fact that, largely due to the efforts of this Society, this government has saved money by no longer having to include Nakusp under the accelerated coverage program, I move,

seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That this House instruct the CRTC to immediately withdraw its decision not to license channel 4 Spokane, transmitted by the Arrow Lakes Television Society into the town of Nakusp.

Mr. Speaker: Presentation of such a motion pursuant to the Standing Order can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

CONSERVATION—GRANTS FOR HOME INSULATION—REASON FOR TAX EXEMPTION ONLY TO NOVA SCOTIA AND PRINCE EDWARD ISLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources who, in his latest bit of electioneering, characteristically made a very important statement outside the House. In view of the fact that the home insulation grants in Nova Scotia and Prince Edward Island are not taxable and have a ceiling of $500 as opposed to a maximum of $350 which is taxable under the program just announced by the minister and his colleague, is the government prepared at the very least to afford the same tax exemption privileges to the other provinces as apply to Nova Scotia and Prince Edward Island and, if not, why not?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, on a number of occasions I have made it very clear to the House that we have received representations from the two provinces of Nova Scotia and P.E.I. respecting their electrical costs and the very heavy increases in costs which can be associated with their dependence on foreign oil for the generation of their electricity. They are in a unique position. There is no other province that comes close to them. I think Nova Scotia has something close to 66 per cent of its electrical energy generated by oil. The next nearest province is down to about one third of its electrical energy from oil or one half of that amount. P.E.I. and Nova Scotia are in a unique position and for that reason we felt they should continue to have those particular benefits unchanged, and that the benefits that we are offering to the rest of Canada should recognize the unique position of those two provinces.

CONSERVATION—GRANTS FOR HOME INSULATION—SUGGESTED DELAY OF PROGRAM TO CONSULT PROVINCES

Mr. James A. McGrath (St. John's East): A supplementary question. I submit that the disparities in the two programs are not justified by the facts. As the minister well knows, it has more to do with politics. Therefore, I should like to ask the minister: in view of the fact that two of the provinces, Alberta and Ontario, have already expressed serious reservations over the program and have been critical over the lack of consultation and infringement of provincial rights, and given the fact of this lack of adequate consultation and unseemly haste in implementation, is the government prepared now to postpone the starting date of this program in order to give the provinces more time for this program in terms of legislation and the necessary budgetary revisions which will be necessary?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, let me try to deal with some of these questions of consultation. It seems to me that this is a very strange claim on the part of the province of Ontario, for example. Prior to the last energy ministers' meeting, which was on May 11, I circulated to all energy ministers who were to attend that meeting my interest in hearing from them what they were planning to do and what they had done in respect of energy conservation. It was indicated that it was going to be an important agenda item, which it was. Reference was made, in the press interviews following that ministers' conference to a national insulation program. There were a great many questions from your side to the opposition side of the House, Mr. Speaker—

Mr. Hnatyshyn: The Speaker's side of the House?

Mr. Gillespie: —which ensued during the following weeks—were we or were we not going to introduce a national insulation program? At that time I indicated that discussions were going on between ministers on this side of the House. I pointed out that it was a very expensive program, and we wanted to be sure we could afford to offer it to Canadians on a reasonable basis.

Before any announcements were made, I entered into substantial discussions with all the energy ministers and their premiers. There were discussions between officials of my office and the various offices of the provincial government. I can understand why the province of Ontario might be a little concerned. They were in the middle of an election at that time, which the hon. member may remember. They put forward a loan program which they said the banks were going to administer. This may be a very useful supplement to our program.

An hon. Member: Answer the question.

Mr. Gillespie: I do not see it, in any way, as replacing the grants program. It may be a useful supplement in that those who need additional funds may be able to get them. I leave it to the Ontario government to decide whether they are going to go ahead with that. I do not accept their charge that in some way we have stolen their program.

Mr. McGrath: Mr. Speaker, the fact is that the minister did receive replies and he received alternative proposals which he ignored.

Some hon. Members: Hear, hear!

Mr. McGrath: I should like to ask the minister: given the fact that the $350 grant will be taxable and conditional and will lean heaviest on the provinces which lacked the capacity to meet the conditions and will lean heaviest on low income earners across the country, will the minister take into account regional disparity in terms of incomes and the capacities of the provinces to meet the conditions of the program in terms of budgetary proposals which they will have to implement? Therefore, is he prepared accordingly to take these conditions into account and to deal with the provinces accordingly?

Mr. Gillespie: Mr. Speaker, if the hon. member examines the program, he will see that we have tried to build in the kind of equity to which he has referred. That is why those grants were made taxable. As the hon. member knows, the recent budget changes of the government of Canada increased the level of person who would not be subjected to income tax in this country. Therefore, they will receive the full grant without any tax whatsoever. On the other hand, the hon. member must recognize that there are some very wealthy Canadians who would be in the 60 per cent tax bracket. It seems to me he should want to support the government's approach, that that type of individual should not receive the same treatment as someone who is not in that taxable bracket.

Some hon. Members: Hear, hear!

Mr. Gillespie: We tried to introduce a degree of equity, as far as income groups are concerned. The hon. member referred to unseemly haste. I should like to suggest to him that he has no sense of urgency in respect of the energy problem in this question. During the period I have referred to between May and now, we consulted with the provinces and we have provided a further two months for the provinces to work out with us the details of the program for their citizens.

● (1420)

CONSERVATION—GRANTS FOR HOME INSULATION—AVAILABILITY TO OTHER PROVINCES OF PROGRAM SIMILAR TO THAT OF NOVA SCOTIA AND P.E.I.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. Can he tell the House why the grants are taxable in eight provinces but not taxable in Nova Scotia and Prince Edward Island? The minister cited electrical costs as being a factor in the program for Nova Scotia and Prince Edward Island, but in his own statement on Monday he pointed out that 80 per cent of all those housing units are oil heated.

Mr. Speaker: Order, please. Has the hon. member a supplementary question to ask?

Mr. Crosbie: Mr. Speaker, my question is this. In view of the differences in this program, as announced on Monday, does the minister not agree with the contention of Premier Schreyer, that the program is restrictive and unequally applied, and will he now make available the same program to those eight provinces as he has made available in Nova Scotia and Prince Edward Island?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member will read my answer to the first question I was asked today, and the answers I have given him on previous occasions, he will find the answer to his question, again.

CONSERVATION—ALLEGED FAILURE OF NEWFOUNDLAND TO AGREE TO CONDITIONS FOR HOME INSULATION PROGRAM

Mr. John C. Crosbie (St. John's West): A final supplementary question, Mr. Speaker. The eight provinces which have been discriminated against must agree to meeting four conditions with respect to the program. One of those is that they shall adopt a new energy code for new buildings. The minister said in his statement that Newfoundland has agreed to those conditions. Is the minister not aware that the government of Newfoundland has not agreed to those conditions and that, therefore, his statement is misleading and inaccurate? Will he now correct it?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member has read the announcement and listened to statements I, the Minister of State for Urban Affairs and the Minister of State for Science and Technology made—and the last mentioned minister recently published a new insulation code—he would recognize that there is an opportunity for the provinces to provide input into these prescribed conditions, which will only be promulgated after that input by the provinces.

Indeed, other provincial groups may also wish to provide some input. We think this is fully consistent with the time schedule we set out, and fully consistent with the commitment on the part of the provinces to implement either these standards or their equivalent by the end of this year. If the provinces are prepared to make that kind of commitment, that is good enough for us. Because of advice I received and as a result of discussions I have had with the energy minister of Newfoundland, I have been led to believe that Newfoundland would go along with these new standards, on that basis.

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CANADIAN NATIONAL RAILWAYS

CLOSURE OF HOTEL VANCOUVER—POSSIBLE VIOLATION OF AGREEMENT WITH HILTON HOTELS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, in the absence of the Minister of Labour and the acting minister, I direct my question to the government House leader. It concerns the recent closure of the Vancouver Hotel in Vancouver and the attendant labour dispute. I point out, in connection with the dispute, that the hotel employees sought increases which were well within AIB guidelines, and my question concerns the closure decision. This hotel is owned by Canadian National and operated by the Hilton Hotel chain, and the

taxpayers of Canada indirectly spent some $20 million recently renovating that hotel. Can the government House leader say if there was a violation of the agreement between Canadian National and Hilton hotels with regard to the closure of the hotel? That is the first question. Second, have inquiries been made to determine if the Canadian National system participated in any recent decision of Hilton hotels to close that particular hotel? I appreciate that the government House leader may have some difficulty answering, and that is why my preamble was so long. He now knows all about it and perhaps can answer now.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have no idea why I should be asked to deal with this question, unless I have a responsibility hitherto undisclosed to me.

Mr. Hnatyshyn: You look like a bell boy and one always asks the bell boy.

* * *

MANPOWER

LABOUR DISPUTE AT HOTEL VANCOUVER—REASON FOR CONTINUING TO SUPPLY WORKERS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I directed my question to the government House leader because both the Minister of Labour and the acting minister have decided to absent themselves from the House. May I direct my supplementary question to the Minister of Manpower and Immigration? Notwithstanding that particular dispute in Vancouver, the Department of Manpower has continued to supply workers to the Vancouver Hotel, which is a clear way to assist management in that particular dispute. Would the minister advise whether it is the policy of this government and of the Department of Manpower to supply scabs in industrial disputes to assist one side and not the other?

Hon. Bud Cullen (Minister of Manpower and Immigration): The Department of Manpower maintains a neutral position. When an employer indicates that he needs employees during a strike, we indicate to the individual before he is referred that that particular plant has been struck, and if he chooses not to go to work there unemployment insurance benefits are not cut off. If there were a lockout, is the hon. member suggesting that we would be fair if we said to the individual that we could not place him until the lockout is over? We must be as neutral as we can, and that is what we endeavour to do in these disputes.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBILITY OF PURCHASING STATION CJBR-TV RIMOUSKI—MINISTER'S POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Secretary of State.

In answer to a question I asked in the House on June 21 about the CBC purchasing CJBR station in Rimouski, the minister insinuated that some hon. members were opposed to it. After consultation with all these hon. members, except for one representing a riding in the eastern part of the province—

An hon. Member: Who?

Mr. Allard: I have no right to name him but the hon. member knows very well who he is. Could the minister tell the House what prevents him from giving justice to this part of the population in eastern Quebec and northern New Brunswick where this service is overdue?

Hon. John Roberts (Secretary of State): Mr. Speaker, as I already explained on several occasions to the House, this is a matter which is being actively considered. Of course, advice from hon. members should be considered. There is the question of the credits which would be required considering the fiscal restrictions which are in effect now. I assure the hon. member that we consider this matter carefully and I hope to be soon in a position to answer his question.

Mr. Allard: Mr. Speaker, I wish to ask a supplementary.

Will the minister take into consideration the representations made by the Chamber of Commerce and all people from eastern Quebec, when a single member opposes this transaction?

Mr. Roberts: Mr. Speaker, I try to keep in mind the representations made by all members, but unfortunately, they are not all coherent. Some may want some kind of action, others may want another kind of action. So I try to consider all opinions expressed, but it is impossible to agree with everybody on that issue.

* * *

[*English*]

TRADE

CANADA-UNITED STATES AUTO PACT—GOVERNMENT POSITION ON FINDINGS OF TASK FORCE CANADA NOT GETTING FAIR SHARE OF BENEFITS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Having regard to the federal government's review of the north American automotive industry, does the minister agree with and support the findings of the automotive task force that Canada is not obtaining its fair share of benefits from the auto pact between Canada and the United States?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I said on several occasions that the auto pact had been very successful for Canada. We now have a much greater proportion of production in Canada than was the case before. There is still an imbalance between our production and our imports, but I agree that we shall take the necessary

action to try to reduce that imbalance which is favourable to the Americans.

[*English*]

Mr. Kempling: Noting that the report indicates that Canada has not maintained its proportional share of new employment, new investment or research and development resulting from the over-all expansion of the north American automobile production, can the minister tell the House whether the existing distribution of the benefits of the auto pact trade is acceptable to him and, if not, whether he plans any measures to ensure that Canada obtains a better deal from the auto pact trade?

● (1430)

[*Translation*]

Mr. Chrétien: Mr. Speaker, I cannot agree with the premises of the hon. member's question because when the auto pact was signed Canada accounted for only 6.7 per cent of the North American production whereas it now accounts for 12.5 per cent of the production and 10 per cent of the consumption, which indicates that in recent years this program was extremely beneficial for Canada. However, there is still a gap and I intend to take all the means required to try to fill it.

* * *

[*English*]

THE CANADIAN ECONOMY

REQUEST OF PREMIER SCHREYER FOR FEDERAL-PROVINCIAL CONFERENCE ON UNEMPLOYMENT—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Prime Minister. It has to do with the cold shoulder he has been giving to Premier Schreyer after Premier Schreyer asked the Prime Minister whether he would be prepared to hold a first ministers conference in order to deal with unemployment and, in particular, job creation. The Prime Minister indicated that he would look into his files, inasmuch as the second request came when he was at the Commonwealth Conference, in order to see just what occurred. In light of the importance of this matter has the Prime Minister had an opportunity to look into his files, did he leave instructions that this conference, which would be of significant benefit to Canadians, should be convened, and is the Prime Minister prepared to start the ball rolling?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have ascertained that I did answer Premier Schreyer's letter to me. The essence of the federal position is that if our officials and eventually ministers of finance and manpower ministers can meet and make some progress with the kind of idea Premier Schreyer has, we then could usefully consider convening a federal-provincial conference of first ministers. However, at this stage I do not think the latter conference should be convened until preliminary work has been done.

[Mr. Chrétien.]

Mr. Alexander: Mr. Speaker, in light of the seriousness of this matter and given the fact that we are losing billions of dollars in productivity as well as tax revenue, can the Prime Minister advise whether he has any specific timetable for the first ministers to meet in order to discuss this very serious matter? In other words, we cannot wait forever before the government starts to show some initiative in this regard.

Mr. Trudeau: Mr. Speaker, we are not asking the opposition or the premiers to wait forever. The Minister of Energy, Mines and Resources announced a program which will be good for Canada from an employment point of view, from an economic point of view and from an energy saving point of view. Of course, the premiers and the opposition were very prompt in criticizing the program. They cannot on the one hand ask us to co-operate with the provinces and then disagree when, after having consulted the provinces, we go ahead with a proposal.

Some hon. Members: Hear, hear!

Mr. Alexander: All I want is for the Prime Minister to take it upon himself to convene a first ministers conference as soon as possible—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Red Deer.

* * *

INQUIRY OF THE MINISTRY

Mr. Gordon Towers (Red Deer): Mr. Speaker, in light of the statement made earlier this week by the Minister of Energy, Mines and Resources and in light of the reply just given by the Prime Minister I would like to ask a question of the Minister of Energy, Mines and Resources. Can the minister assure this House that governing by edict rather than by consultation and co-operation with provincial governments, as evidenced by his announcement of requirements for qualification for home insulation grants—an absolute invasion of provincial jurisdiction—will not continue to be federal policy? Instead, will this government make an attempt to govern adequately matters over which it has a constitutional right?

Mr. Speaker: Order, please. The hon. member for Madawaska-Victoria.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

DATE OF DECISION ON PURCHASE OF STATION CJBR

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Secretary of State. It is similar to that of the hon. member for Rimouski and follows many others which I have asked in that connection.

Since it is the avowed policy of the CBC and the federal government to provide the French-speaking minority outside Quebec with the services urgently needed to make up for time lost, can the Secretary of State assure the House and the French-speaking citizens of New Brunswick that a decision will be taken before August 1, the date on which the CBC must settle once and for all the matter of CJBR station?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I cannot assure the hon. gentleman that the decision will be taken before August 1. I will try my best to have the decision taken before August 1, but I cannot guarantee that. However, I can assure the hon. member that the sentiments which he expressed about the federal government's determination to support Francophone communities outside Quebec as well as inside Quebec are the ones we hold very closely. We are concerned, as I have indicated on several occasions to the House, about ensuring that conditions are established throughout Canada so that Francophone language and culture will not only survive but flourish.

* * *

NORTHERN AFFAIRS

REQUEST FOR ENFORCEMENT OF MINE SAFETY REGULATIONS IN NORTHWEST TERRITORIES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of Labour I would like to direct my question to the Minister of Indian Affairs and Northern Development. The Minister of Labour has received repeated requests over the past few years from Mr. Hodgson, Commissioner of the Northwest Territories, for the authority to enforce the mining safety ordinance. The latest request, to which there had been no reply as of last week, came from Mr. Hodgson on February 15 of this year. This request is fully supported by the local steelworkers union, and I would like to ask the minister if he would inform the House how the government intends to act on this request and when we can expect a reply.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, since those regulations come under the jurisdiction of the Minister of Labour, I am not familiar with this matter, but I will bring it to the attention of my colleague as soon as he returns.

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LABOUR CONDITIONS

PAID EDUCATION LEAVE—INQUIRY AS TO GOVERNMENT POLICY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Prime Minister. In view of the speech made on June 13 to the International Labour Organization by the Minister of Labour setting out a position on paid educational leave, I would like to ask the Prime Minister whether this is now a policy of the federal government. If so, is it the intention of the government to promote such arrangements through Crown corporations and public service unions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not read the speech made by the Minister of Labour and referred to by the hon. member in his question. I cannot say that this is government policy, but with the hon. member's indulgence I will check the speech to see exactly what the minister said and to see to what extent he was enunciating a generous idea or an idea which is part of government policy.

* * *

METRIC CONVERSION

REQUEST FOR MAINTENANCE OF MILES AND ACRES IN VIEW OF UNITED STATES DECISION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of State (Small Business). Last week the United States government announced that it, unlike this government, was unwilling to disorient Americans needlessly by changing miles to kilometres. However, apparently this minister still intends to force this expenditure of millions of dollars, which will have the result of confusing people. Will the minister tell the House whether he has examined the U.S. initiative toward common sense, and will he now amend the act to allow basic measures such as miles and acres to stay as they are?

Some hon. Members: Hear, hear!

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, we are consulting the United States government to see what its intentions are—

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): What about Alberta?

Mr. Marchand: —with respect to miles and kilometres. It is our view that perhaps this announcement really was an announcement of a temporary measure and that it is the intention of the U.S. government in the long term to convert to kilometres. The information I have at this time as a result of further consultations with the provinces is that they have every intention of going ahead with their plans to convert road signs from miles to kilometres.

Mr. Darling: Mr. Speaker, not only will this cost Canadians a massive amount in terms of changing road signs and the like, but it will also place one more barrier in front of the U.S. tourist coming into Canada. With a tourist deficit projected to be $10 billion by 1985 will the minister, if he is not ready to end these metrication follies, at least postpone the change to kilometres until he has ascertained that that move will not damage our already shaky tourist industry?

● (1440)

Mr. Marchand: Mr. Speaker, I will certainly take the hon. member's question into consideration. However, the Metric Commission has already had considerable consultation with the United States and also, wherever possible, we are letting the American travelling public know of our intention to change from miles to kilometres. It is our view this will not be a deterrent to any American tourists coming to Canada.

* * *

ENVIRONMENTAL AFFAIRS

MERCURY POLLUTION OF LAKES AND RIVERS—REASON FOR FAILURE TO TAKE ACTION EARLIER

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the absence of the minister of the environment perhaps I could address my question to the acting minister. In reply to a question I put on the order paper, the government disclosed the names of a staggering list of 273 lakes and rivers, including Lakes Erie and Ontario, the St. Lawrence River and Georgian Bay, in which it knows there are fish with abnormally high levels of mercury. May I ask the acting minister why the chlor-alkali mercury emission standard regulation has not yet been produced and why the government permitted mercury poisoning of freshwater in all parts of Canada to become so extensive before taking action?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, as the hon. member knows, in the reply to his question it was pointed out that a great deal of the mercury registered in these various rivers and lakes was from natural sources as well as industry. I might point out also that on April 20 this year the minister announced that regulations to limit the amount of mercury emitted to the atmosphere from chlor-alkali plants had been published and were to take effect some 60 days later. In addition, although the emission limits come into force on July 1, 1978, as I said, the regulations provide for the immediate start of reporting on control measures, malfunctions or breakdown and emission measurements so that enforcement actions can be focused on the problem areas. Back in 1972 under the Fisheries Act, action was taken to control chlor-alkali emissions into the waterways and I believe that mercury effluents have since been reduced to less than 1 per cent.

Mr. Beatty: Mr. Speaker, I am lucky that the parliamentary secretary brought his music today. In view of the fact that the natural flushing of water systems has been shown to be ineffective— Mr. Speaker, I wonder whether we could have some order from hon. members opposite.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Darling.]

POSSIBILITY OF USING HAT CREEK COAL TO REMOVE MERCURY FROM WATER

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): I can understand their uneasiness. If I had their record I would be noisy, too. In view of the fact that natural flushing of water systems has been shown to be ineffective in significantly reducing mercury levels in northwestern Ontario and that the government appears to be unaware of any effective and cost-efficient ways of purifying waters that have been polluted by mercury, may I ask the parliamentary secretary whether the department of the environment has investigated a process described on the CTV national news a couple of nights ago which employs Hat Creek coal as a purifying agent and has been shown in scientific tests at the University of British Columbia to remove at least 99.5 per cent of mercury from water, and if not why not?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I am sorry I did not have the pleasure of sharing that program with the hon. member several nights ago. In my first answer to him I pointed out that major legislation was passed several years ago which has been extremely effective in preventing additional mercury going into the waterways.

Just a moment ago, Mr. Speaker, the hon. member asked us to be quiet on this side. I am trying to answer his question and wish he would be quiet for a moment. As he well knows, and I believe it was part of the very lengthy and thorough response given to him, mercury has built up as a serious pollution problem in our waterways over many, many years—that is, industrial pollution aside from the natural mercury pollution. I will send the press release of a few months ago to the hon. member to give him some further information about mercury pollution in the air.

An hon. Member: He can't read.

Mr. Beatty: A final supplementary question, Mr. Speaker. With the noise on the other side the hon. parliamentary secretary apparently did not hear my question. Is the department aware of any cost-efficient and effective method of removing mercury from water systems which have already been polluted with mercury? If it is not, why has it not conducted investigations into the use of Hat Creek coal as a purifying agent to remove mercury and other heavy metals from water systems which have been polluted?

Mr. Fleming: Mr. Speaker, I am sorry, I am not an expert on Hat Creek coal. Had the hon. member given me notice I certainly would have had the facts on hand now. I will get the information and send it to him.

METRIC CONVERSION

REQUEST FOR ASSISTANCE TO FARMERS IN MEETING COSTS OF CONVERSION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce responsible to the Metric Commission. In light of the fact that the government has recently indicated that a subsidy will be made available to assist motor mechanics in changing over to metric tools, will the minister give consideration to broadening this assistance program to help farmers and other individuals who will also be forced to change over as a result of metrication?

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, the Metric Commission and the sector committees have considered this question very carefully and have decided there are only two areas where subsidies would be needed. These were especially high cost areas. One is self-employed mechanics who have to buy their own tools and the other one is the retail scales conversion. We have no plans at present to increase the number of people who will require subsidy.

Mr. Scott: A supplementary question. Will the minister give consideration to the farmers and all those people involved with their own maintenance in this industry? Some of them will have to buy tools as expensive as those for the motor mechanic but the legislation ignores them.

Mr. Marchand: Mr. Speaker, I will look into that.

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CONSUMER AFFAIRS

POSSIBILITY OF PROHIBITING USE OF ASBESTOS FIBRES IN PREPARATION OF FOOD AND BEVERAGES

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, may I put a question to the Minister of Consumer and Corporate Affairs. In view of a recent consumers' report concerning the extensive use and health hazards of asbestos fibres in the preparation of food, beverage and pharmaceutical products in Canada are any steps being taken to prohibit its use?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think this question should be more appropriately directed to the Minister of National Health and Welfare.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF QUEBEC BEING INDEMNIFIED FOR NOT USING FORCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the press reported on the meeting between the provincial justice ministers and their counterpart at the federal level, would the Solicitor General be in a position to advise whether any proposals have been made concerning the cost of the RCMP services in Quebec and whether representations by the Quebec spokesman were different from those of the former justice minister in the Bourassa administration?

Hon. Francis Fox (Solicitor General): Mr. Speaker, indeed both Quebec and Ontario justice ministers presented some claims. At first sight, Mr. Speaker, and after listening to the Quebec Minister of Justice, the arguments made in support of his request this year where similar to the ones that have been considered and examined at the time his predecessor, Mr. Choquette, discussed the same issue with my predecessor the Minister of Indian Affairs and Northern Development.

Mr. Lambert (Bellechasse): I want to ask a supplementary question, Mr. Speaker. By his answer, does the minister mean to say that he categorically refuses to reconsider that problem or that he will take the time to consider those requests more closely to be in a position to inform the House definitely on that matter soon?

Mr. Fox: Mr. Speaker, the matter was examined closely a few years ago and in fact the Quebec and Ontario governments had seen fit to raise this matter at another level than that of the Solicitor General. They were supposed to do so at the meeting which took place last December between the Minister of Finance of Canada and the provincial ministers. Following their requests, the Minister of Finance gave a clear answer.

As regards the Department of the Solicitor General, Mr. Speaker, of course we are in a position to offer police services to the provinces and in return, they give money to us. However, we cannot give subsidies to the provinces.

* * *

[*English*]

ENERGY

CONSERVATION—GRANTS FOR HOME INSULATION—REASON FOR DIFFERENTIATION IN TREATMENT OF PROVINCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is supplementary to those put by my colleagues, the hon. member for St. John's East and the hon. member for St. John's West, to the Minister of Energy, Mines and Resources. Does the minister agree that under our federal constitution, such matters as building codes, direct sales taxes, the production of electricity and the manner in which it is sold and metered within a province, not to mention the question of speed limits on the highways, are matters solely and wholly within provincial jurisdiction? Will he also agree that property assessment, utility rate structures, landlord and tenant relationships are also within provincial jurisdiction? That being so, how can he justify the treatment of residents of eight provinces whereby they are singled out for special consideration and heavy taxation while the residents of the other two provinces

are not? Does it have something to do with the complexion of the governments of the other two provinces, Prince Edward Island and Nova Scotia?

● (1450)

Mr. Speaker: With respect, that seems to be precisely the question put by the hon. member for St. John's East at the beginning of the question period.

Mr. Munro (Esquimalt-Saanich): But we didn't get an answer.

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PRIME MINISTER'S OFFICE

PRIME MINISTER'S STATEMENT CONCERNING ONE PARTY DEMOCRACY—REQUEST FOR CLARIFICATION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question I would like to direct to the Prime Minister. It arises from a document issued by his office following the recent London Commonwealth Conference at which he gave a press conference. It concerns what he referred to as one party democracy at certain times being a good form of democracy and that such a thing might be argued for Canada some day. Will the Prime Minister explain to this House whether it is government policy to lead this country in such a direction? Will he give us the full meaning of what appears to be a rather undemocratic and somewhat demagogic remark in London?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if this country ever turned to a one party government, it would be because of members on the other side like the hon. member for Leeds.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, I am not sure I heard the Prime Minister's reply in its entirety because of the noise on the other side. However, I must say his words are very clear in his press release. I would therefore like to ask him another question. Did his statement which he made at the Commonwealth Conference in London represent any undisclosed policy or any policy that is presently under consideration but not yet in effect to downgrade parliament and move us further toward government by the Prime Minister's office?

Mr. Trudeau: No, Mr. Speaker. The hon. member must be referring not to a press release but probably a transcript of a press conference I gave when I was in London. It was in answer to a question from some member of the media asking me if we should not exclude from the Commonwealth governments which were governed by one party democracies. I went to some length to indicate that the overwhelming majority of participants in the Commonwealth were not of the parliamentary democracy type but had one-party states and that if we were to exclude all of them, we would be in some difficulty. We would certainly end up with an all white Commonwealth, which is not my idea of a Commonwealth.

[Mr. Munro (Esquimalt-Saanich).]

Based on that, as the hon. member will see if he takes the trouble to read the answer in its entirety, I said it was up to each country to give itself the kind of government it wanted and that for some countries the one party democracy, one party state, was a legitimate form of government.

Mr. Cossitt: As it is pertinent to my final supplementary, may I quote the exact sentence. "I would not be prepared to think that I would be successful in arguing that", that is a one party democracy, "for Canada at the present time but such time might come, who knows?" Will the Prime Minister explain that statement to the House.

Mr. Trudeau: Yes, Mr. Speaker. As the members of the media who were there will testify, I said that with a bit of irony and with a smile. My feeling was that it is really the opposition that is making that conclusion inevitable, not my own policies.

Some hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN CAPE BRETON—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In his absence, may I pose it to the Acting Minister of Transport. I refer to a letter that I wrote the minister on June 23 condemning the actions of Canadian National Railways on Cape Breton Island in their continuing policy of cutbacks and layoffs on Cape Breton Island, adding to an already unbearable unemployment rate. I realize that the minister has not had time to reply as yet. However, in view of the fact it has come to my attention that further cutbacks are to take place today in the taking off of the back-shift shunter out of Sydney, thus eliminating another five jobs, and it is also the intention of CN to take off what is known as the Sydney shunter which deals with local industries, removing the jobs of the yardmaster, an engineer and two trainmen, another four jobs, will the acting minister contact officials of the CN Atlantic region immediately to ascertain just what is going on?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will take that question as notice for the acting minister and be sure that the hon. member receives an answer.

Mr. Muir: I thank my colleague from Cape Breton for taking an interest in the question which the acting minister did not seem to know about. At the same time, will he ascertain from CN if it is their intention to remove the major portion of their present office located at North Sydney to Halifax, thus removing more jobs from Cape Breton Island?

Mr. MacEachen: Yes, Mr. Speaker. I will take that as notice and consult with the hon. member for Halifax.

[*Translation*]

PENITENTIARIES

POSSIBILITY OF IMPLEMENTING RECOMMENDATIONS OF ADVISORY COMMITTEE—GOVERNMENT POSITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Solicitor General. A few weeks ago, I asked him a question concerning the advisory committee studying the report of the committee on penitentiaries including, of course, the RCMP, the National Parole Board and the Canadian Penitentiary Service. Would the minister now tell the House if he got that report from the advisory group? If so, could he tell if in the short term, in the medium term or the long term, some of those recommendations could be implemented? If not, when does he intend to make a statement in the House?

Hon. Francis Fox (Solicitor General): Mr. Speaker, indeed I got preliminary reports that I am now studying and discussing with officials of my department. The hon. member will also see that in Bill C-51 now before the House, I proposed several amendments taking into account some recommendations of the committee which studied the penitentiary system. Unfortunately, some of those amendments have been, and rightly so, declared out of order by the chairman of the Committee on Justice and Legal Affairs of the House. However, I intend to present again in the House at the third reading stage one of these recommendations that would propose the almost immediate implementation of one of the recommendations considered as essential by the members of the committee, namely granting certain powers to the Solicitor General allowing him to appoint independent chairmen to the internal disciplinary courts of the penitentiaries.

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[*English*]

VETERANS AFFAIRS

NUMBER OF WIDOWS NOT RECEIVING PENSIONS AND LOW LEVEL OF DISABILITY PENSION—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the increasing concern of veterans and their organizations over the number of widows who do not receive pensions, and in view of the increasing concern over the widening gap between the rate of the disability pension and the base to which it was attached a few years ago, as well as the minister's sympathetic statements made several times to the effect that this matter is being reviewed, will he do his best to get the members of the cabinet to agree to bringing in this year the necessary legislation to correct these two situations?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as the hon. member has indicated, this is a concern of mine and many people in the House. As far as trying to get it implemented this year, I will do my best.

ADMINISTRATION OF JUSTICE

NAMING OF KEITH CARRUTHERS ON EXTRAPARLIAMENTARY OPPOSITION LIST—OPPORTUNITY TO CLEAR NAME

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have two questions for the Solicitor General concerning a public servant, Ian Keith Carruthers, who found his name on the extraparliamentary opposition list. I am sure the present Solicitor General knows about this. There has been a report from the press that his name is there by accident, that when the name Carruthers was used, it referred to another Carruthers. With this in mind, has the Solicitor General conducted an investigation with respect to the matter because the name of Ian Keith Carruthers is very important to himself and I hope his good name is also important to the government.

● (1500)

Hon. Francis Fox (Solicitor General): As far as we are concerned on this side of the House there never has been drawn up the type of list the hon. member refers to, the so-called enemies list, so there is no action to be taken in that regard.

Mr. Baker (Grenville-Carleton): That is very interesting. If it never occurred, then it suddenly appeared in the press. Hon. members know full well that it did not come from this side.

Some hon. Members: Oh!

Mr. Baker (Grenville-Carleton): The public servant in question was, and I guess he still is, a valued employee of the Ministry of Urban Affairs and an officer with CMHC. I assume they would be very interested in his good name. Given the fact that his name has appeared in the press and that his reputation might have been affected thereby, has the Solicitor General received any representations from his colleague the Minister of State for Urban Affairs with respect to his employee or from the President of CMHC, and if he has not, would he take it upon himself personally to inquire into this state of affairs and at least make a statement with respect to the matter in the House of Commons and use his good offices to establish a tribunal before which this public servant could clear his name, a name which is valuable to him and which, I hope, is just as important to the Solicitor General and his colleagues?

Mr. Fox: If the hon. member is referring to a civil servant who feels his name has been slandered or libelled and if that has come about because his name has been published in a newspaper, I can only suggest to the hon. member that his proper recourse is to sue the newspaper which apparently published his name and accused him of being on some sort of list, or black list, which would have originated with the government.

Mr. Baker (Grenville-Carleton): The public servant in question has sued the Minister of Supply and Services and the Solicitor General in an effort to clear his name. He has indicated he is not interested in monetary damages but in

clearing his name. In order to avoid the tremendous legal costs attached to an action such as this with respect to a matter which could be cleared up within the resources of the government, would the Solicitor General consider the unfairness of his answer and use his good offices either to make public the information in his possession which would indicate that Carruthers is clean or, on the other hand, to recommend the establishment of a tribunal where evidence could be placed and could be confronted, and Carruthers could be given an opportunity to clear his name in an expeditious and effective manner?

Mr. Fox: I am, of course, delighted to hear that members on the other side believe that names ought not to be bandied around loosely either in parliament—

Some hon. Members: Hear, hear!

Mr. Fox: —or by the media.

Mr. Baker (Grenville-Carleton): What about clearing it?

An hon. Member: Disgraceful!

Mr. Fox: If the hon. member is referring to a civil servant who feels his reputation has been slandered by his name being bandied in the media, I suggest once again that his name has not been sullied by this government or by any previous solicitor general and that his recourse lies against those who have bandied his name about. As far as we are concerned we have nothing to do with that man's name being brought out in the press.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

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

[*English*]

TRANSPORT AND COMMUNICATIONS

Fifth report of the Standing Committee on Transport and Communications—Mr. Campbell.

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

[Mr. Baker (Grenville-Carleton).]

CANADIAN BROADCASTING CORPORATION

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND CHAIRMAN OF CRTC

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, under Standing Order 41(2), copies, in both official languages, of correspondence between myself and the chairman of the CRTC concerning the delay in the report of the committee of inquiry regarding the CBC.

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FINANCE

TABLING OF REPORT OF COMMODITY TAX REVIEW GROUP

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table the report of the commodity tax review group.

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INFORMATION

TABLING OF GREEN PAPER ON PUBLIC ACCESS TO GOVERNMENT DOCUMENTS

Hon. John Roberts (Secretary of State): Mr. Speaker, in accordance with Standing Order 41(2), I am tabling, in both official languages, a green paper on legislation concerning public access to government documents.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I, on a point of order, ask the government House leader what is to be the business for the balance of the day and for the rest of the week? Perhaps he would tell us, also, the government's plans for next week.

Mr. MacEachen: Yes, Mr. Speaker. We shall call the report stage of the Auditor General's bill today and, hopefully, the House will agree to proceed to third reading. Afterwards we would turn to third reading of the Canada Pension Plan amendment. Following that, I should like to call the amendments to the Criminal Code—

Mr. Woolliams: What a dream.

Mr. MacEachen: —and third reading of the unemployment insurance bill.

An hon. Member: We shall be here until August.

Mr. MacEachen: As the hon. gentleman knows, there is a resolution on the order paper in the name of the Prime Minister. This will be called on Tuesday and it will provide an occasion upon which to debate the question of national unity.

Mr. Baker (Grenville-Carleton): That particular motion, I believe, is being called on the understanding that one of the allotted days of the opposition has been granted to it. I wish the hon. gentleman would confirm that this is the case, because he did not do so in his original statement. Would the government House leader consider granting additional government time for the debate which is to take place on Tuesday and Wednesday? We have no time left to grant, but perhaps the minister might consider granting more government time to the discussion of this motion, because of its importance. I think it is reasonable that members should be given an opportunity to put their views on record, since the question of confederation and national unity is one which affects every member representing all the people of Canada. Would the government House leader consider the possibility of allotting several government days to this motion?

Mr. MacEachen: I have, but as the hon. member knows, there is a real scarcity of available days for business between now and the adjournment. I fully acknowledge that one of the days set aside for the debate on national unity is a donation from the opposition, for which we are most grateful. We have added another day, so we shall have a two-day debate as a minimum. However, if there were favourable developments with respect to the legislative program, it might be possible to add another day. But we can consider this prospect as we get into the debate. It might be useful to consider restricting the length of speeches to, say, 20 minutes—

Some hon. Members: Hear, hear!

Mr. MacEachen: —with the exception of leaders of parties, who may wish to speak for a bit longer. Then there is the possibility of reinstating extended hours, which will expire tomorrow.

Mr. Paproski: Not after all we have done for you.

Mr. Baker (Grenville-Carleton): I think it would be inappropriate, the government having wasted the extended hours, to extend them again.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I must say that the prospect of 20-minute speeches does not overcome me, and I would be prepared to talk to the hon. gentleman about that aspect. But I also want to say there is no scarcity whatever of House time. There is no fixed date by which the House has to adjourn, and we are prepared to deal with the legislation the government wishes to bring forward.

● (1510)

One other matter which is important from the point of view of our business later in the year is the undertaking that has been given by the government to provide, before a decision is taken respecting a pipeline, an opportunity for the House of Commons to consider the matter in the terms set forth in the House by the government House leader and by the Prime Minister in the media. Has the government any idea when all the reports will be down? I understand there will be one down by the first of the week, or perhaps at the end of this week. There is one more to come, I think the Lysyk report. When is it expected, and when does the government expect to be calling back the House to debate the matter? What form will the debate take, and has the government any contemplation as to when the debate will take place?

Mr. MacEachen: Mr. Speaker, on the question of the debate on the reports relating to the pipeline, as the hon. member has indicated we expect the report of the National Energy Board next week, and it may be possible to debate that report next week or the following week, if we are here. It is then our expectation that the two remaining relevant reports, namely Dean Lysyk's report and the second volume of Mr. Justice Berger's report, will be available on August 1. In keeping with the commitment which has been made by the government to give members of the House an opportunity to comment and to give their views on these reports before a decision is made, it is the intention of the government to recall the House, if it is not in session, the first week of August. The dates I have been considering are August 4 and 5, which would give us an opportunity to debate the reports which, hopefully, will be available on August 1.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on the same point of order, with regard to the length of speeches, hours of sitting and what we do during the summer, I think that could best be discussed first of all at a meeting of the House leaders, and we are prepared to take part in such a meeting, or in such meetings, if necessary. However, I should like the government House leader to make clear what we will do on Monday. He has told us that we will be considering Bill C-20, Bill C-49, Bill C-51 and Bill C-27, in that order. If by the end of tomorrow we have not finished Bill C-51, on Monday will we be staying with Bill C-51, or switching over to Bill C-27? It would be useful for the House to know what we will be doing when we come back on Monday.

Mr. MacEachen: Mr. Speaker, it would be my intention to call the unemployment insurance bill on Monday regardless of the progress which has been made on the other bills. In the unlikely event that the criminal law amendments have not cleared on Thursday, it would not be my intention to call them again on Monday. I would make one further comment. In light of the fact that it is expected that the House will be recalled, for reasons with which we are familiar, early in August, it would be my wish to try to conclude this part of the session as quickly as possible. I am sure that the hon. member did not see the faces behind him when he made the comment he did.

Mr. Paproski: Look behind you at your own members, Allan.

Mr. MacEachen: I refer to his challenge to sit all of July. In order to relieve the anxiety which I detected, I would be willing to enter into negotiations with a view to concluding

within a reasonable time so that members will have some time in their constituencies before returning in August.

Mr. Baker (Grenville-Carleton): That is fine, Mr. Speaker. I have noted my hon. friend's remarks and I, too, observed the faces across the House. In his remarks concerning the debate on the inquiry, the minister injected a new element, according to my recollection, and that is that the debate on the pipeline inquiry might be conducted in a series. In other words, there might be one now on the National Energy Board report and one later on the Lysyk report and the second volume of the Berger report. That is something new; it has not been dealt with before.

Does the House leader intend to deal with this matter in a series of debates? If that is the government's intention, would the government not reconsider? It seems to me—I say this with respect—that until all the reports are in it would not be fruitful for the House to consider the matter. The purpose of the debate is to consider all the evidence.

Mr. MacEachen: Well, Mr. Speaker, certainly one debate is mandatory in light of the commitment that has been made. I have always had in mind that it would be possible, when the National Energy Board reported, to call the motion on the pipeline which is on the order paper, and this would give the House an opportunity to discuss it for a day. If that were done, it would not relieve the necessity of having a final debate in August. On that first point I am rather relaxed; it might be desirable to have a debate on the National Energy Board report, or it might not. We could consider that after we receive the report. My own view is that it might be useful to have the views at that time, but I would withhold my final judgment.

Mr. Clark: On the same point of order, Mr. Speaker, if the government is suggesting that it has extra government time to have an extra debate before the adjournment of the House, an extra two-day debate on the pipeline, I hope the government might reconsider the government House leader's suggestion that there is not enough time to extend the debate on national unity.

Some hon. Members: Hear, hear!

Mr. Clark: If we have the time, before adjourning, to begin a debate seriatim on the pipeline, surely we have time in the House on government days to take more than eight hours' debating time to discuss the urgent problem of national unity which is facing this country.

Mr. Coates: Mr. Speaker, earlier this week I raised a question of privilege on which Your Honour reserved your decision. I was just wondering when that decision might be rendered by the Chair.

Mr. Speaker: Order, please. The only question of privilege I can recall the hon. member raising was concerning the actions of the hon. member for Comox-Alberni (Mr. Anderson).

Mr. Coates: I refer to the festivities here on Parliament Hill on July 1, Mr. Speaker.

[Mr. MacEachen.]

Mr. Speaker: Order, please. I can perhaps give the matter further consideration and give the House an accurate description of the way I see my responsibilities. I attempted, however, to describe to the hon. member and to the House in a preliminary way the way I saw my responsibilities in this regard; that is to say, that I did not see it as the responsibility of the Chair to be able to intervene in the individual and specific agenda of every event which takes place in these buildings; but, rather, I would attempt to persuade all those who hold events inside and outside these buildings—and there is some difference in jurisdiction—that the best motivations ought to be used in the true parliamentary sense. In that regard, I indicated to the House that I would express that sentiment to the Secretary of State (Mr. Roberts), which I have done. However, I will attempt to formulate more precise language as to whether or not an exact question of privilege is involved.

● (1520)

Mr. Coates: Mr. Speaker, in view of the fact that no action has been taken, to my knowledge, since I raised my question of privilege, to alter the events as they have been planned and indicated to the government, I wish to move, seconded by the hon. member for Selkirk (Mr. Whiteway)—

Mr. Speaker: Order, please. I should remind the hon. member we are in routine proceedings and we are not able, at this time, to receive that motion. However, we will be on motions shortly.

Mr. Goodale: Mr. Speaker, I rise on a point of order. While there is some discussion in the House with respect to our plans for House business, I wonder if I could raise with hon. members a point which I mentioned last week regarding private members' business this week. As events have unfolded, the only time available for private members' business this week would be Thursday afternoon between the hours of five and six. In the normal course of events, that time would be designated for the "B" schedule of private members' business, namely, the calling of private bills, notices of motions for papers, and public bills.

As I indicated last week, discussions have taken place and I think there is agreement to proceed with a series of bills standing in the name of various hon. members, instead of the normal course of business within that hour. These bills effect certain changes in the names of constituencies. For the information of hon. members, the bills are as follows: C-283, C-392, C-393, C-394, C-405, C-406, C-418, C-422, C-427, C-428 and C-429. There are 11 of them in total. There has been agreement to call those items in order beginning at five o'clock on Thursday, and to proceed with them through all stages without debate in order to accommodate the changes which members deem to be desirable. In the remaining time left to us in that hour on Thursday, there is agreement to take the report stage of Bill C-256.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that sounds agreeable, subject to one question. Does that list exclude the

bill in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman)?

Mr. Goodale: That is correct.

Mr. Baker (Grenville-Carleton): Then that is agreeable.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the parliamentary secretary has confirmed the arrangement made last week, but part of that arrangement was that we gave time last week to private bills such as Bell Canada. Having given Bell Canada an hour last week, it was understood that that was in exchange for any time this week. The arrangements for tomorrow deal with public bills regarding constituencies, and the other bill named by the parliamentary secretary. Then if there is any time left, it should be on notices of motions for papers, and not private bills.

Mr. Goodale: Mr. Speaker, that is correct. I would hold open the possibility that in the following week we might direct our attention to a particular notice of motion for papers No. 15 standing in the name of the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Speaker: Is it agreed that the House will move to the consideration of private members' business tomorrow at five o'clock, in the order described by the hon. parliamentary secretary?

Some hon. Members: Agreed.

Mr. Speaker: Agreed, and so ordered.

* * *

DIVORCE ACT

MEASURE TO REDUCE WAITING PERIOD FOR DIVORCE AFTER MARRIAGE BREAKDOWN

Mr. Speaker: Order, please. Last week, the hon. member for Toronto-Lakeshore (Mr. Robinson) was in his place at the time of introduction of bills, but momentarily the proposed seconder of this private bill had slept—stepped out of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: That is the first time the word "slept" has ever been used in *Hansard* as a combination between "slipped" and "stepped". In any case, the hon. member for Kent-Essex (Mr. Daudlin) had stepped out of the House momentarily and I volunteered the services of another hon. member to be the seconder of the bill, as I sometimes do. In view of the specific nature of the bill, it seems to me the matter should be stood over, as I indicated at that time, until both members were present in the House.

In consequence of having given the bill the usual formal introduction, the bill was printed and distributed as if it had been read the first time. I did not interfere with that process because I was quite confident the two hon. members would be present in the House today and the matter could be corrected in that way. Therefore, I see the hon. member for Toronto-Lakeshore (Mr. Robinson), seconded by the hon. member for Kent-Essex (Mr. Daudlin), moving for leave to introduce a bill intituled "An act to amend the Divorce Act (living separate and apart)". The bill has already been explained by the hon. member for Toronto-Lakeshore. Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. Members: Agreed.

Mr. W. Kenneth Robinson (Toronto-Lakeshore) moved for leave to introduce Bill C-430, to amend the Divorce Act (living separate and apart).

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

* * *

PETROLEUM CORPORATIONS MONITORING ACT

MEASURE TO REQUIRE REPORTING OF FINANCIAL AND OTHER STATISTICS

Hon. Allan J. MacEachen (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill S-4, to require the reporting of certain financial and other statistics relating to the affairs of designated petroleum companies carrying on business in Canada.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

* * *

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I move, seconded by the hon. member for Selkirk (Mr. Whiteway), that this House do now adjourn.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

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

House of Commons

And more than five members having risen:

Mr. Speaker: Call in the members.

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

(*Division No. 68*)

● (1530)

YEAS

Messrs.

Alexander	Jelinek	Munro (Esquimalt-Saanich)
Alkenbrack	Johnston	Murta
Baker (Grenville-Carleton)	Jones	Neil
Baldwin	Kempling	Nowlan
Beatty	Knowles (Winnipeg North Centre)	Oberle
Brisco	Knowles (Norfolk-Haldimand)	O'Sullivan
Clark (Rocky Mountain)	Korchinski	Paproski
Clarke (Vancouver Quadra)	Lambert (Edmonton West)	Patterson
Coates	La Salle	Peters
Cossitt	Lawrence	Pigott (Mrs.)
Crosbie	Leggatt	Reynolds
Crouse	MacDonald (Egmont)	Ritchie
Darling	MacDonald (Miss) (Kingston and the Islands)	Roche
Ellis	Mazankowski	Rynard
Epp	McCain	Saltsman
Firth	McCleave	Schellenberger
Forrestall	McGrath	Scott
Fraser	McKinnon	Stanfield
Friesen	Mitges	Stevens
Gillies	Muir	Symes
Grafftey		Towers
Hnatyshyn		Whiteway
Holmes		Whittaker
Jarvis		Wise
		Woolliams—69.

NAYS

Messrs.

Abbott	Demers	Laniel
Allmand	Dionne (Northumberland-Miramichi)	Lapointe
Anderson	Douglas (Bruce-Grey)	Lavoie
Andras (Port Arthur)	Drury	Leblanc (Laurier)
Andres (Lincoln)	Duclos	Lee
Appolloni (Mrs.)	Dupras	Lefebvre
Baker (Gander-Twillingate)	Duquet	Loiselle (Chambly)
Beaudoin	Ethier	Loiselle (Saint-Henri)
Béchard	Faulkner	Lumley
Bégin (Miss)	Fleming	MacDonald (Cardigan)
Blais	Flynn	Macdonald (Rosedale)
Blaker	Foster	MacEachen
Blouin	Fox	MacGuigan
Boulanger	Gauthier (Ottawa-Vanier)	Marceau
Breau	Gendron	Marchand
Buchanan	Gillespie	Martin
Bussières	Goodale	McRae
Caccia	Goyer	Milne
Cafik	Gray	Nicholson (Miss)
Campagnolo (Mrs.)	Guay (St. Boniface)	O'Connell
Campbell (LaSalle-Émard-Côte Saint-Paul)	Guilbault	Parent
Caron	Haidasz	Pearsall
Chrétien	Harquail	Pelletier
Clermont	Herbert	Pinard
Comtois	Holt (Mrs.)	Portelance
Condon	Hopkins	Poulin
Corbin	Horner	Prud'homme
Cullen	Kaplan	Railton
Cyr	Lachance	Raines
Danson	Lajoie	Reid
Daudlin	Lamontagne	Roberts
Dawson	Landers	Robinson
De Bané	Langlois	Rooney

[Mr. Speaker.]

Messrs.

Roy (Laval)	Stanbury	Trudeau
Sauvé (Mrs.)	Stewart (Cochrane)	Turner
Sharp	Stollery	Watson
Smith (Saint-Jean)	Tessier	Yanakis
		Young—112.

● (1550)

Mr. Speaker: I therefore declare the motion lost.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 577, 886, 1,797, 2,080, 2,241, 2,284, 2,330, 2,345, 2,385, 2,436, 2,444, 2,445 and 2,466.

[*Text*]

1976 CENSUS

Question No. 577—**Mr. Reynolds:**

1. What is the total expenditure for the 1976 Census?

2. (a) How many persons were employed to canvas door-to-door in order to issue the Census forms (b) what was the cost of hiring them (c) what was or is the length of their employment (d) on what date does it terminate?

3. What was the (a) purpose of including pencils with each Census form (b) cost, apart from the total Census cost, of supplying the pencils?

4. (a) For what reason was June 1, 1976 designated "Census Day" (b) what was the cost of advertising in the media that June 1, 1976 would be "Census Day"?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The cost of collecting the 1976 Census is estimated at $28,500,000. Much of this expenditure is for wages paid to the 33,000 employees hired to collect census information from householders across Canada. The processing and the subsequent dissemination of the mass of information (over 300 million facts) into easily understood and accessible statistics through publications, microfilms and computer tapes; together with research and evaluation of the results to provide basic information to improve future censuses will cost an estimated $32,500,000 spread over a period of 4 years. Planning the census, which included field testing new methods, designing and printing of questionnaires and a vast amount of preparation work cost approximately $20,000,000 spread over a period of five years. Part of this cost was for salaries and the purchase of equipment and supplies from within Canada. The total estimated cost of $81,000,000 spread over a period of nine years represents approximately 40 cents per Canadian each year.

2. (a) Approximately 30,000. (b) The total remuneration of the approximately 30,000 census representatives was approximately $11,000,000 including remuneration received during training. (c) and (d) census representatives were recruited in April and started their training (seven half-days) in May. The majority of census representatives completed their assignment by the third week of June.

3. (a) It is necessary to use a soft lead pencil to complete the Census questionnaire. The Census questionnaire is processed by machine which does not readily read responses coded in ink. Manual processing by Statistics Canada of responses coded in ink is a very expensive operation—given the potential volume involved. (b) Pencils were distributed to approximately 7,200,000 households. Cost of the pencils was $198,000.00 (about 2.5 cents each).

4. (a) Historically, June 1 has been the Census Day for several decades. There is some importance, from the point of view of the comparability of data from one Census to another, to preserve this date. Moreover, it is a convenient date for the following reasons: (1) for agriculture questions, areas sown to the more important crops can be determined more easily; (2) the weather is generally temperate and suitable for the enumeration; (3) children are usually in school unitil the end of June and the population movement to summer resorts has not started. (b) The total cost of publicity for the 1976 Census of Canada in the media is estimated to be $1.2 million. The program was developed to make Canadians aware that June 1, 1976, was Census Day, informing them of the procedures involved in filling in the questionnaires and returning them in the appropriate manner. Experience during the 1971 Census demonstrated that such an information campaign reduces the necessity for costly follow-up by improving the quality of the responses and the speed of return of the questionnaires.

CENSUS COSTS

Question No. 886—**Mr. MacKay:**

1. What was the total cost of the (a) 1941 (b) 1946 (c) 1951 (d) 1956 (e) 1961 (f) 1966 (g) 1971 Census?

2. What is the estimated total cost of the 1976 Census?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada replies: 1. (a), (b), (c), (d), (e), (f) and (g) Total costs for censuses, including planning, implementation and publication can not be meaningfully compiled from existing records for the years prior to 1971. The costs supplied below refer to the census cost incurred as defined and published in the Administrative Reports for the respective censuses. Since the nature and complexity of each census differs markedly, these cost figures must be used with caution in drawing comparisons. Information prior to 1951 is not available. 1951, $8,292,000; 1956, $4,343,000; 1961, $17,530,000; 1966, $10,647,000; 1971, $40,865,000.

2. It is estimated that census costs during 1976 will be $36,500,000. The estimated total cost of the 1976 census is $81,000,000. This figure includes expenditures during the fiscal years 1972/73 to 1978/79 inclusive.

DIPLOMATIC IMMUNITY

Question No. 1,797—**Mr. Beatty:**

1. In 1976, which were the ten countries whose diplomats most often invoked diplomatic immunity to avoid being prosecuted for violations of Canadian law and in how many instances was diplomatic immunity invoked by each of the ten?

2. In each case, how many people are permitted to claim diplomatic immunity for each country?

3. In 1976, which countries did not invoke diplomatic immunity for diplomats who were in violation of Canadian law?

4. In each case, what was the nature of the offences which these diplomats were alleged to have committed?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. In 1976, members of diplomatic missions belonging to the ten following countries have invoked diplomatic immunity, as indicated, in most cases for parking violations. USSR, 344; Nigeria, 267; Senegal, 241; Ivory Coast, 232; Gabon, 214; Zaïre, 153; Egypt, 148; Algeria, 143; France, 141; Tunisia, 132.

2. A person who is qualified in accordance with the Vienna Convention to be a bearer of a diplomatic identity card enjoys diplomatic immunities; members of the technical and administrative staff of diplomatic missions may only invoke immunity from civil and administrative jurisdiction for acts performed within the course of the exercise of their official duty.

3. Diplomatic immunity is not invoked when a diplomat finds himself in violation of Canadian law and chooses to pay a fine. Such cases would not be known to the government. A certain number of diplomatic missions appear not to invoke diplomatic immunity with regard to minor offences such as parking violations.

4. For the most part the offences were parking violations, other offences were largely minor traffic offences with a very small number of other offences such as disorderly conduct and shoplifting.

NUMBER OF MAXIMUM SECURITY PRISONS AND TOTAL NUMBER OF INMATES

Question No. 2,080—**Mr. Howie:**

1. As of January 1 (a) 1975 (b) 1976 (c) 1977, what was the number of maximum security prisons and what was the (i) total number of inmates (ii) total number of inmates in each case?

2. What is the projected total number of inmates in maximum security prisons for January 1 (a) 1978 (b) 1980 (c) 1985?

3. What new maximum security prisons are presently being built, or are scheduled to be built and what is the projected (a) date of completion (b) cost (c) number of inmates to be housed in each?

4. What maximum security prisons are presently being phased out of operation, or are scheduled to be phased out of operation, and what (a) is the scheduled date of termination (b) will be the decrease in inmate population on a yearly basis from the beginning to the completion of the phasing out of each?

Hon. Francis Fox (Solicitor General): By the Ministry of the Solicitor General: (Canadian Penitentiary Service and National Parole Service) 1. (a) 12; (b) 12; (c) 11; (i and ii) See list below.

2. (a) 3,702; (b) 3,379; (c) 3,300.

Order Paper Questions

3. New maximum security institutions presently being built or scheduled to be built, including regional reception and psychiatric centres:

	(a) Forecast completion	(b) Cost	(c) Capacity
Atlantic Region			
Maximum Institution No. 1	June, 1979	$11,700,000	216
Regional Psychiatric Centre	March, 1981	$ 8,700,000	60
Maximum Institution No. 2	August, 1985	$13,500,000	216
Quebec Region			
Maximum Institution No. 1	June, 1979	$11,700,000	216
Maximum Institution No. 2	April, 1979	$11,700,000	216
Maximum Institution No. 3	March, 1983	$16,500,000	216
Maximum Institution No. 4	March, 1983	$16,500,000	216
Ontario Region			
Regional Psychiatric Centre	June, 1979	$ 9,500,000	170
Regional Reception Centre	March, 1982	$13,500,000	180
Maximum Institution No. 1	March, 1982	$13,500,000	350
Prairie Region			
Regional Psychiatric Centre	March, 1978	$ 8,730,000	100
Maximum Institution No. 1	March, 1979	$11,865,000	216
Maximum Institution No. 2	March, 1982	$11,500,000	216
Pacific Region			
Maximum Institution No. 1	October, 1978	$13,340,000	192
Regional Reception Centre	March, 1981	$13,500,000	120
Maximum Institution No. 2	March, 1981	$13,500,000	216

4. Maximum institutions presently being phased out, (a) Scheduled date of termination; Dorchester Penitentiary March 1986; Laval Maximum Institution March 1983; Kingston Penitentiary September 1981; British Columbia Penitentiary March 1981. (b) It is impossible to forecast what the decrease in inmate population will be in maximum security institutions on a yearly basis. However, set out below is the number of cells to be closed during the phasing out period:

Institution	No. of cells to be closed	Year
Dorchester Penitentiary	150	1980
	150	1981
	213	1986
Laval Maximum Institution	200	1981
	200	1982
	183	1983
Kingston Penitentiary	All cells	1981
British Columbia Penitentiary	All cells	1981

[Mr. Fox.]

Institution	Total No. of Inmates as of January 1		
	1975	1976	1977
Dorchester Penitentiary	370	323	357
Regional Reception Centre (Quebec)	173	198	301
Regional Psychiatric Centre (Quebec)	67	112	*—
Correctional Development Centre (Quebec)	—	—	67
Laval Institution	166	268	355
Archambault Institution	400	416	416
Regional Reception Centre (Ontario)	216	281	278
Regional Psychiatric Centre (Ontario)	121	108	98
Millhaven Institution	300	229	335
Stony Mountain Institution	443	460	466
Saskatchewan Penitentiary	524	511	534
Regional Psychiatric Centre (Pacific)	118	89	92
British Columbia Penitentiary	517	**473	**365
	3,415	3,468	3,664

* Figure for the Regional Psychiatric Centre (Quebec) is included with Laval Institution.
** Figures include Regional Reception Centre.

FEASIBILITY STUDY FOR NEW NATIONAL GALLERY

Question No. 2,241—**Mr. Herbert:**

1. What has been the cost, to date, of the feasibility study for the new National Gallery?

2. What is the estimated total cost of the study?

3. To whom has the principal amount been paid?

4. What is the (a) description of the site on which the construction is projected (b) total area of the site?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): 1. The limited architectural competitions and the related expenditures undertaken on the National Gallery cannot be classified as feasibility studies. Planning studies have been performed on the Wellington West planning precinct jointly between Public Works and the National Capital Commission. However, these were undertaken prior to the decision to locate the National Gallery on the presently proposed site and at the time were not directly concerned with the National Gallery. Studies connected with the suitability of the site for the National Gallery were done within Public Works and the National Capital Commission, and therefore no significant costs were incurred.

2. The cost breakdown for the limited architectural competition and related expenditures are as follows:

Competitors' prizes	$350,000.00	
Competitors' Travel expenses	8,810.26	
		$358,810.26
Professional Advisor fees	$26,531.83	
Professional Advisor expenses	2,632.73	
		$29,164.56
Program Consultant fees	$200,685.70	
Program Consultant expenses	4,641.09	
		$205,326.79
Miscellaneous Consultants' fees and expenses (including Jury)	$47,348.84	
		$47,348.84
Miscellaneous expenditures	$33,258.72	
		$33,258.72
Total Expenditures to date:		$673,909.17

3. Each competing firm and consortium, including the winner, was paid $35,000.

4. (a) The site is bounded by Wellington Street on the south side, the National Library and Public Archives on the west, the Ottawa River on the north and the Supreme Court and proposed Federal Court on the east. (b) 12.5 acres.

PERSONS DRAWING UNEMPLOYMENT INSURANCE

Question No. 2,284—**Mr. Fortin:**

1. Under the H-PEVAIC Programme and according to code D-28, did persons drawing unemployment insurance lose their right to benefits under section 40(1)(d) of the Unemployment Insurance Act, for having failed to attend an interview pursuant to section 107 and, if so, how many (a) in Quebec, from April 1 to June 30, 1976 (b) in each region of Canada over the same period (c) in each region of Canada, during the implementation of the section involved?

2. Did the persons drawing unemployment insurance thereby excluded regain their right and were they reimbursed and, if not, for what reason?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. Statistics on the H-PEVAIC program were not separately kept for this period.

2. Not applicable.

POLICY-MAKING RESPONSIBILITY RELATING TO EMPLOYMENT STANDARDS AND OCCUPATIONAL SAFETY

Question No. 2,330—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making or the interpretation of policies, relating to employment standards and occupational safety?

Order Paper Questions

Hon. John C. Munro (Minister of Labour): As of December 31, (a) 1968, 8; (b) 1976, 14.

CBC COVERAGE OF TORONTO BLUE JAYS SPRING TRAINING CAMP

Question No. 2,345—**Mr. Friesen:**

1. How many CBC (a) TV reporters (b) radio reporters (c) cameramen (d) soundmen (e) other technicians covered the spring training camp of the Toronto Bluejays and, in each case, how long were they on this assignment?

2. (a) How many pieces of material were submitted by the reporters for (i) radio (ii) television (b) how many of the reports were aired (c) how many minutes of air time did this involve?

3. How many CBC (a) reporters (radio and television) (b) cameramen (c) soundmen (d) other technicians cover each of the provincial legislatures while they are in session?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. English Services: (a) Four sports commentators; (b) one sports commentator; (c) three staff, one freelance; (d) one; (e) one. One producer, one unit manager, one director, one production assistant and one script assistant were also assigned. The above staff were assigned as follows: TV—A crew of eight spent three weeks, a unit manager spent four days and a commentator spent five days preparing a one-hour special (fully paid for by its sponsor). One commentator and one cameraman spent March 6-14 producing items daily for two Toronto local sportscasts plus longer items for Toronto local evening news shows. All items were syndicated to CBC stations across Canada. One commentator and one cameraman spent March 25-April 3 producing a half-hour Toronto local special plus items for two daily Toronto local sports shows. Items were syndicated. A director spent one day directing an item for 90 Minutes Live, a national program, using the sports camera crew already on location. One commentator spent three days covering the camp for network news, network weekend sports shows and Toronto local station. Radio—Staff member from national sports desk of national newsroom spent two days providing items for national newscasts, plus a 15-minute item for network sports program Rebound. French Services: (a), (b) one (c) two (d) one (e) nil. One producer and one script assistant were also assigned. The French Services television crew was in Florida to cover the Montreal Expos training camp. At the end of that assignment the crew spent one day at the Blue Jays camp preparing three network television items.

2.

		English Services	French Services
(a)	(i)	7	8
	(ii)	32	3
(b)	(i)	7	8
	(ii)	32	3
(c)	(i)	27 minutes	13 minutes 10 minutes
	(ii)	140 minutes	approximately*

* The Blue Jays were mentioned at the end of the radio reports on the Expos and no exact count is available.

Order Paper Questions

3.

	Reporters		Cameramen		Soundmen		Others	
	English	French	English	J. French	English	French	English	French
Newfoundland	1(A)	—	1+	—	—	—	—	—*
Prince Edward Island	1(B)	—	1	—	—	—	—	—
Nova Scotia	2	—	1	—	—	—	4	—
New Brunswick	2	1	—(C)	—	1	—	1	—	1
Quebec	2	7	1(D)	1	1	—	1	—	—
Ontario	3	1	1	—	1(E)	—	—	—	—
Manitoba	2	1	1	—	—	—	—	—	—
Saskatchewan	1	1	—	—	—	—	—	—	—
Alberta	2	1	1	—	1(F)	—	—	2	—
British Columbia	2(G)	1(H)	1(I)	—	—	—	—	2	—

NOTES:
J—Joint English/French
+—Camera units usually incorporate sound and are operated by one person
*—All crews are augmented for special occasions, including opening of the legislatures and Speech from the Throne
(a)—Plus one news editor assigned on a daily basis
(b)—Plus one part-time reporter
(c)—one freelance cameraman as required
(d)—Freelance cameraman
(e)—Occasional
(f)—Occasional
(g)—Plus one part-time reporter
(h)—Freelance reporter
(i)—Plus one part-time film cameraman

UNEMPLOYMENT INSURANCE COMMISSION IN QUEBEC

Question No. 2,385—**Mr. Fortin:**

1. Following an inquiry by the Unemployment Insurance Commission in Quebec, which revealed that more than 40 per cent of the claimants did not attend H-PEVAIC interviews when they were summoned in writing as compared to those summoned orally, did the Department of Manpower and Immigration decide to summon candidates in writing despite the study and, if so, for what reason?

2. Did the decision of the Department take into account (a) the intelligibility of the UIC forms (b) the fact that, according to the *Centrale des enseignants du Québec* (Quebec Teachers' Union), 40 per cent of the adults of the Province have only an elementary level education and thus the most deprived are the ones who are victims of exclusions and, if so, has such a procedure been adopted across the country?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. No. The Department is of the opinion that summoning claimants in writing is better business practice than giving them appointments orally. In that way, there can be no misunderstanding as to the time and place of the interview and the name of the counsellor.

2. (a) Yes, the Department periodically reviews its forms in order to ensure that they can be understood by all claimants. As for the form used to summon them for interviews we feel that it is perfectly intelligible. (b) No.

MR. JEAN-CLAUDE BERNARDIN

Question No. 2,436—**Mr. Lambert (Bellechasse):**

1. Does the Public Service Commission have in its employ a public servant of Haitian origin, Mr. Jean-Claude Bernardin and, if so, what position does he occupy?

[Mr. Roberts.]

2. Does Mr. Bernardin have a certificate of naturalization and, if so, on what date was it granted?

Hon. John Roberts (Secretary of State): In so far as the Department of the Secretary of State is concerned: 1. To be answered elsewhere.

2. The records of the Citizenship Registration Branch of the Department of the Secretary of State confirm that one Jean-Claude Bernardin was granted citizenship on December 2, 1976.

In so far as the Public Service Commission is concerned: 1. The Public Service Commission does not have in its employ a person by the name of Jean-Claude Bernardin.

2. To be answered elsewhere.

CBC ENGLISH LANGUAGE TV AND RADIO STATIONS IN QUEBEC

Question No. 2,444—**Mr. Cossitt:**

Since April 20, 1968, how many CBC English language (a) tv (b) radio stations, have been constructed or planned for the Province of Quebec and, in each case, what are the call letters and the location?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a), (b) In the province of Quebec since April 20, 1968, 11 English-language television stations and 13 English-language radio stations have either been constructed or their planned construction has been announced in connection with a CRTC hearing for a licence application. The call letters, where assigned, and locations of the stations that have been constructed or for the licensing of which hearings have been set by the CRTC are as follows:

	Call Sign	Location	Status
TV:	—	Baie Comeau	Under construction
	CBJET	Chicoutimi	On air
	—	Fermont	Planned
	CBFCT	Fort Chimo	Planned
	CBFGT	Fort George	On air
	CBFHT	Fort Rupert	Under construction
	CBFWT	Nouveau-Comptoir	On air
	CBPBT	Poste-de-la-Baleine	Planned
	CBSET-1	Schefferville	On air
	—	Sept-Iles	Planned
	—	Trois-Rivières	Planned
Radio:	—	Baie Comeau	Under construction
	CBMD	Chapais	On air
	CBMF	Chibougamau	On air
	CBJE-FM	Chicoutimi	On air
	—	Fermont	Planned
	CBMP-FM	Fort George	On air
	CBMQ-FM	Fort Rupert	Under construction
	CBMO	Lac Megantic	On air
	CBMK	Lebel-Sur-Quevillon	On air
	CBON	Maniwaki	On air
	CBMW-FM	Nouveau-Comptoir	On air
	CBVE-FM	Quebec	On air
	—	Sept-Iles	Planned

Other English-language stations are planned for the province of Quebec. The locations will, as is customary, be made public when the CRTC sets a date for a hearing following submission of a licence application by the CBC. A further 27 English-language television stations and 26 English-language radio stations are in this category.

CBC FRENCH LANGUAGE TV AND RADIO STATIONS IN PROVINCES OTHER THAN QUEBEC

Question No. 2,445—**Mr. Cossitt:**

1. What was the construction cost or estimated cost of all CBC French language (a) tv (b) radio stations, in provinces other than Quebec, presently operating, under construction, or in the planning stages and what is the combined total?

2. What is the annual actual cost or estimated cost of all CBC French language (a) tv (b) radio stations presently operating, under construction, or in the planning stages, in all provinces other than Quebec and what is the combined total?

3. (a) What is the combined annual cost of all items in Parts 1 and 2 (b) how many French language (i) tv (ii) radio stations are involved and, of these, how many were constructed, planned, etc. since April 20, 1968?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1 and 2.

	Construction Cost or Estimated Cost		Annual Cost or Estimated Cost	
	(a) TV	(b) Radio	(a) TV	(b) Radio
In operation	$26,283,078	$ 7,315,425	$10,489,000	$ 5,894,000
Under construction	*3,637,450	1,911,790	98,574	65,295
In planning stages	9,038,891	3,571,800	616,455	694,140
Total	$38,959,419	$12,799,015	$11,204,029	$6,653,435

* Projects which have received CRTC approval but are not yet in operation.

3. (a) The question cannot be answered in a meaningful way as the "construction costs" show in part 1 above are a one-time non-recurring capital expenditure, whereas the annual costs are recurring. Therefore, the answer is as shown in part 2. (b) (i) 103; (ii) 120. Since April 20, 1962: TV—constructed, 27; under construction, 7; planned, 59; Radio—constructed, 36; under construction, 11; planned, 46.

FOREIGN AGRICULTURAL WORKERS

Question No. 2,466—**Mr. Demers:**

1. During 1976, in Quebec, did vegetable gardeners employ foreign workers who had temporary work permits and, if so, what (a) are the names and addresses of the gardeners (b) was the number of workers involved?

2. During 1977 to date, in Quebec, were vegetable gardeners authorized to bring in foreign workers who had temporary work permits and, if so (a) what are the names and addresses of the gardeners (b) on what date did they file their applications?

Hon. Bud Cullen (Minister of Manpower and Immigration): 1. Yes, in 1976 (a) 2 vegetable garderners (See Note 1); (b) 32 workers.

2. Yes, in 1977 to date (a) 2 vegetable gardeners (See Note 1); (b) 24 January 1977, and 27 January 1977.

NOTE 1: The Department of Manpower and Immigration regards as confidential the names and addresses of clients.

[*English*]

Mr. McCleave: Mr. Speaker, I rise again on a question of privilege which not only concerns unanswered questions of the hon. member for Leeds (Mr. Cossitt), but also some unanswered questions of my own. The other day, in response to the question of privilege I raised and to the motion upon which I founded it, the parliamentary secretary said that these things would all be done by the fall. I do not see any sacred difference between a fall date and this particular date. If there are answers to questions, they should be provided forthwith. If there are no answers, or the parliamentary secretary or his colleagues feel the questions are unanswerable, we should be told. This is a stalling practice and it is an invidious practice in the sense that we cannot read their hearts and minds or get through the small blood vessels to the Prime Minister's brain. The fact is, the questions are not answered because someone has animosity toward the hon. member for Leeds. I resent that, Mr. Speaker and I am going to voice my resentment at every opportunity.

● (1600)

Some hon. Members: Hear, hear!

Mr. McCleave: The parliamentary secretary has to come in here next week with some of the answers for the hon. member for Leeds or I will be on my feet every time he stands in this House, protesting on behalf of any member who I believe has a legitimate question.

Some hon. Members: Hear, hear!

Mr. Forrestall: Mr. Speaker, I rise with respect to the privileges of members of the House. I have 15 questions on the order paper, some dating back to October 12 last year and seven or eight preceding this parliament. In the dying days of this session I hope Your Honour may be able to direct himself to answering the fear that my colleague has indicated is growing in regard to questions on the order paper which pertain to a politically sensitive area and instructions coming from ministers to delay responses.

My questions range from No. 160, dated October 12, to the last one about three months ago. The questions seek information that is of essential interest to the maritime shipping community in Canada. Perhaps the failure to answer arises from the failure of Statistics Canada and other data collecting organizations to provide the appropriate data for the answers. One or two of the questions even go back one full parliament. It would be a very simple thing for the parliamentary secretary to the minister responsible to rise and say that the data is not available and will not be available for a long time. A member would then have the opportunity to seek unanimous consent to withdraw the question.

I do not like the abuse of order paper questions which has been demonstrated by some of my colleagues in the chamber, and I know it has contributed to the workload of the departments. A lot of questions are irrelevant, but on the other hand members of parliament do have a right to ask questions. Where the answer is not given because the question is politically sensitive or because the appropriate information is not available, some other method of dealing with them must be found.

In the four or five parliaments during which I have sat in this chamber through the grace of the people of Dartmouth-Halifax East, I have always been left with a long list of unanswered questions. Those questions are never to the political disadvantage of the ruling party, but seek answers that are important to the maritime community which comprises a major portion of my riding. Mr. Speaker, I submit it is incumbent upon your office and your officers to direct yourselves to this question, in the hope that in the dying days of this session a better method will be found to deal with questions on the order paper.

Questions 160, 163, 174, 1,249, 1,396 and 2,156—I will not list the others—are vitally important to the changing trade patterns between this country and others upon whom we must rely for our well-being and our balance of trade payments. I think some of these questions could have been dealt with by the parliamentary secretary to the appropriate minister indicating that the information is not the type usually collected by departments and agencies of this government, and requesting that they be withdrawn. Hon. members would be willing to accept that, but we are not happy to sit through two parliaments without an answer to a simple, non-partisan question. I appreciate the indulgence of the House, Mr. Speaker.

[Mr. McCleave.]

Mr. Speaker: Order, please. I am certainly prepared to listen to other hon. members, but I think we should disabuse our minds of what constitutes a question of privilege. As I indicated to the hon. member for Halifax-East Hants (Mr. McCleave) last week, there is no obligation upon the government to answer questions. Accordingly, on technical grounds there is no opportunity for the Chair to find privilege when the government fails to answer a question. We recently changed our rules so that questions are answered every day instead of only two days a week, as previously. This provides an opportunity daily to ask whether the remaining questions shall be allowed to stand, and for hon. members to agree, as I am sure they will continue to do, that their questions remain unanswered. That does not change the character of the exercise and form a question of privilege, however.

Mr. Baldwin: Mr. Speaker, I will grieve very briefly. Today the Secretary of State (Mr. Roberts) filed what he calls a green paper on access to government documents, but which I call a black paper. In effect, it constitutes a repudiation by the government of any intention to bring in legislation. The successive shocks they have suffered over the last few weeks with regard to information show this. At page 5 there is a very pertinent observation indicating why it might not be necessary. The green paper states, at page 5:

● (1610)

> Third, a statute creating an obligation for departments to respond directly to public applications for access to government documents might reduce the role of the member of parliament as seeker of information for, and articulator and defender of, the interests of his constituents. Opportunity for the public to seek documents directly from departments and agencies might lessen contact between citizens and members. On the other hand, the criteria for production of documents under notices of motions for the production of papers would have to correspond to any exemptions—

I quote that because after our experience in this House, mine over a great many years, and particularly the very laudable observations made by the two hon. members who preceeded me that they are not getting information, not getting the documents, and there have not been the answers, it makes this observation at page 5 hypocritical. I just put that before the Chair for its understanding.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: Mr. Speaker, I rise on a point of order. Twenty-seven days ago I drew to the attention of the parliamentary secretary questions Nos. 1,941 and 1,945. The parliamentary secretary said, in reply to that representation: "I will do my best to try and get the answers for him." I certainly hope the parliamentary secretary, given his reputation, will not be misleading the House and will get those answers for me.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-58, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31 March, 1978.

* * *

THE ROYAL ASSENT

Mr. Speaker: It is my duty to inform the House that a communication has been received which is as follows:

Ottawa, June 29, 1977

Sir:

I have the honour to inform you that the Honourable Wilfred Judson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 29th day of June, at 5:45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Assistant Secretary
to the Governor General

Mr. Alexander: Mr. Speaker, I rise on a point of order. I just want to bring to Your Honour's attention the fact that I am unusually warm in this place. When discussing this matter with my friend, the hon. member for St. John's East (Mr. McGrath), he indicated to me that the air-conditioner breaks down every year at this time. I am just wondering if you can assist me in this regard. If, in fact, the air-conditioner has broken down, sir, when do you think it will be fixed? I find it extremely uncomfortable in here at this particular time.

Mr. Speaker: The hon. member for Hamilton West (Mr. Alexander) raises a valid concern. In fact, it was reported to me late last night that the main motor of the air-conditioning system had broken down. The engineers are at work on it. They indicate that, regrettably, it will take until Saturday or Sunday to repair it. This means that today and tomorrow only, hopefully, will be the days we will be without its services. If the difficulty goes on any longer than that, I, too, will start to look for some sinister motivation behind the annual breakdown.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

AUDITOR GENERAL ACT

MEASURE RESPECTING OFFICE OF AUDITOR GENERAL

The House resumed, from Monday, June 27, consideration of Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto, as reported (with amendments) from the Standing Committee on Public Accounts.

Mr. Speaker: The House will now proceed to the taking of the deferred division on Bill C-20. Call in the members.

The House divided on motion No. 5 (Mr. Baldwin) which was negatived on the following division:

(*Division No. 69*)

YEAS

Messrs.

Alexander	Holmes	Mitges
Alkenbrack	Jarvis	Muir
Baker (Grenville-Carleton)	Jelinek	Munro (Esquimalt-Saanich)
Baldwin	Johnston	Murta
Blackburn	Kempling	Neil
Brisco	Knowles (Winnipeg North Centre)	Nowlan
Clark (Rocky Mountain)	Knowles (Norfolk-Haldimand)	Oberle
Clarke (Vancouver Quadra)	Korchinski	O'Sullivan
Coates	Lambert (Edmonton West)	Paproski
Cossitt	La Salle	Patterson
Crosbie	Leggatt	Peters
Crouse	MacDonald (Egmont)	Pigott (Mrs.)
Darling	MacDonald (Miss) (Kingston and the Islands)	Reynolds
Ellis	MacKay	Ritchie
Epp	Mazankowski	Roche
Fairweather	McCain	Rynard
Firth	McCleave	Saltsman
Forrestall	McGrath	Schellenberger
Fraser	McKinnon	Scott
Friesen		Symes
Gillies		Towers
Grafftey		Whiteway
Hnatyshyn		Whittaker
		Wise
		Woolliams—67.

NAYS

Messrs.

Abbott	Baker (Gander-Twillingate)	Buchanan
Allard	Beaudoin	Bussières
Allmand	Béchard	Caccia
Anderson	Bégin (Miss)	Cafik
Andras (Port Arthur)	Blais	Campagnolo (Mrs.)
Andres (Lincoln)	Blouin	Campbell (LaSalle-Émard-Côte Saint-Paul)
Appolloni (Mrs.)	Boulanger	Caron
	Breau	

Messrs.

Chrétien	Guay (St. Boniface)	Marchand
Clermont	Guilbault	Martin
Comtois	Haidasz	McRae
Condon	Harquail	Milne
Corbin	Herbert	Nicholson (Miss)
Cullen	Holt (Mrs.)	O'Connell
Cyr	Hopkins	Parent
Danson	Horner	Pearsall
Daudlin	Kaplan	Pelletier
Dawson	Lachance	Pinard
De Bané	Lajoie	Portelance
Demers	Lamontagne	Poulin
Dionne (Northumberland-Miramichi)	Landers	Prud'homme
	Langlois	Railton
Douglas (Bruce-Grey)	Laniel	Raines
	Lapointe	Reid
Drury	Lavoie	Roberts
Duclos	Leblanc (Laurier)	Robinson
Dupras		Rooney
Duquet	Lee	Roy (Laval)
Ethier	Lefebvre	Savard
Faulkner	Loiselle (Chambly)	Sharp
Fleming		Smith (Saint-Jean)
Flynn	Loiselle (Saint-Henri)	Stanbury
Foster		Stewart (Cochrane)
Fox	Lumley	
Gauthier (Ottawa-Vanier)	MacDonald (Cardigan)	Stollery
		Tessier
Gendron	Macdonald (Rosedale)	Turner
Gillespie		Watson
Goodale	MacEachen	Yanakis
Goyer	MacGuigan	Young—110.
	Marceau	

● (1640)

Mr. Speaker: Therefore, I declare motion No. 5 lost. The hon. member for Timiskaming (Mr. Peters), on a point of order.

Mr. Peters: Mr. Speaker, in light of the fact that the air-conditioner has broken down and we are now nearing the end of the month of June, and in view of the question you just asked and the responses made by hon. members, I should like to draw Your Honour's attention to the rules of debate, Standing Order 28, which reads as follows:

Every member desiring to speak is to rise in his place, uncovered, and address himself to Mr. Speaker.

I should also like to direct Your Honour's attention to the French version of Standing Order 28, which reads in part, "la tête découverte", which means "head uncovered". Therefore, I should like to draw Your Honour's attention to the hon. member for Skeena (Mrs. Campagnolo) who participated in the vote contrary to Standing Order 28, in my opinion.

Some hon. Members: Take it off, take it off.

Mrs. Campagnolo: Mr. Speaker, may I rise on the same point of order?

Mr. Speaker: Order, please. Hon. members will realize that the Standing Order to which reference has been made does not make reference to voting by members. It makes reference to the intention of hon. members to be recognized to speak.

Some hon. Members: Hear, hear!

Mr. Speaker: If and when the occasion presents itself, that we have to make delicate decisions of a discriminatory nature as to the dress regulations of male and female members of this House, we will meet that problem. At the moment, we have not come to it.

The question is now on motion No. 7 in the name of the hon. member for Scarborough West (Mr. Martin).

The House divided on motion No. 7 (Mr. Martin) which was negatived on the following division:

(*Division No. 70*)

YEAS

Messrs.

Alexander	Hnatyshyn	McKinnon
Alkenbrack	Holmes	Mitges
Allard	Jarvis	Muir
Baker (Grenville-Carleton)	Jelinek	Munro (Esquimalt-Saanich)
	Johnston	
Baldwin	Kempling	Murta
Beaudoin	Knowles (Winnipeg North Centre)	Neil
Blackburn		Nowlan
Brisco		Oberle
Clark (Rocky Mountain)	Knowles (Norfolk-Haldimand)	O'Sullivan
		Paproski
Clarke (Vancouver Quadra)	Korchinski	Patterson
	Lambert (Edmonton West)	Peters
Coates		Pigott (Mrs.)
Condon	La Salle	Reynolds
Cossitt	Leblanc (Laurier)	Ritchie
Crosbie		Roche
Crouse	Leggatt	Rynard
Darling	MacDonald (Egmont)	Saltsman
Demers		Schellenberger
Ellis	MacDonald (Miss) (Kingston and the Islands)	Scott
Epp		Stanbury
Fairweather		Symes
Firth	MacKay	Towers
Forrestall	Martin	Whiteway
Fraser	Mazankowski	Whittaker
Friesen	McCain	Wise
Gillies	McCleave	Woolliams—74.
Grafftey	McGrath	

NAYS

Messrs.

Abbott	Daudlin	Horner
Allmand	Dawson	Kaplan
Anderson	De Bané	Lachance
Andras (Port Arthur)	Dionne (Northumberland-Miramichi)	Lajoie
		Lamontagne
Andres (Lincoln)		Landers
Appolloni (Mrs.)	Douglas (Bruce-Grey)	Langlois
Baker (Gander-Twillingate)		Laniel
	Drury	Lapointe
Béchard	Duclos	Lavoie
Bégin (Miss)	Dupras	Lee
Blais	Duquet	Lefebvre
Blouin	Ethier	Loiselle (Chambly)
Boulanger	Faulkner	
Breau	Fleming	Loiselle (Saint-Henri)
Buchanan	Flynn	
Bussières	Foster	Lumley
Caccia	Fox	MacDonald (Cardigan)
Cafik	Gauthier (Ottawa-Vanier)	
Campagnolo (Mrs.)		Macdonald (Rosedale)
Campbell (LaSalle-Émard-Côte Saint-Paul)	Gendron	MacEachen
	Gillespie	MacGuigan
	Goodale	Marceau
Caron	Goyer	Marchand
Clermont	Guay (St. Boniface)	McRae
Comtois		Milne
Corbin	Haidasz	Nicholson (Miss)
Cullen	Harquail	O'Connell
Cyr	Herbert	Parent
Danson	Holt (Mrs.)	Pearsall
	Hopkins	

Messrs.

Pelletier	Roberts	Stewart (Cochrane)
Pinard	Robinson	Stollery
Portelance	Rooney	Tessier
Poulin	Roy (Laval)	Turner
Prud'homme	Savard	Watson
Railton	Sharp	Yanakis
Raines	Smith (Saint-Jean)	Young—101.
Reid		

● (1650)

Mr. Speaker: I therefore declare motion No. 7 lost.

Hon. Robert K. Andras (President of the Treasury Board) moved that Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto, as reported (with amendments) from the Standing Committee on Public Accounts, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

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

Mr. Don Mazankowski (Vegreville): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —I remind my colleagues that I am not rising to speak on the metric bill. I shall speak on legislation just as important as that. I am pleased to have this opportunity to speak on third reading of this important piece of legislation, particularly since it will soon become law. All of us, I think, have waited a long time for this bill. We waited for it to be introduced, it has been debated and we hope it will soon become law.

The bill has had a long gestation period, and the years of government indifference to the office of the auditor general should not be forgotten, even at this time. It is fair to say that the public outcry, the work of the opposition and the work of the auditing profession exerted pressure on the government, a government insensitive to how taxpayers' money has been spent and managed these last number of years. We are, therefore, pleased to see in the final stages of passage the legislation which seeks to clarify the terms of reference under which the auditor general will work and more clearly establish his authority and powers.

Without doubt, Bill C-20 is a significant improvement over existing provisions of the Financial Administration Act which set out the terms of reference, duties and objectives of the auditor general. Our present Auditor General, Mr. Jim Macdonell, has expressed pleasure with this bill, calling it the Magna Carta of his office. That shows, I think, his acceptance of this legislation. But there are certain dangers with which I wish to deal.

● (1700)

One of the great dangers as we consider the legislation is that more importance has been placed on this piece of legislation than is warranted, in my view. Any attempt to pass off this legislation as a panacea for restoring financial control within the government of Canada would be misleading and deceitful, to say the least. I am sure my colleagues will agree with me that there are many things that still go unanswered, ignored and undone in terms of restoring parliamentary control, financial management, control and accountability.

In that connection, I want to deal today not so much with what is in the bill but with what is not in the bill. The omissions and what these omissions imply are, to me, more crucial to the return of the over-all control of taxpayers' funds than any clause contained in the bill. Of course, the true test of this legislation, as it is of any other legislation, is how it stands the test of time. In that regard, I believe it is somewhat unfortunate that Bill C-20 is being considered at the same time as the Royal Commission on Financial Management and Accountability is getting into the meat of its work. It is still conducting its studies and we are not sure as yet when it will be reporting.

Also, I think it is rather unfortunate that we are considering legislation at a time when we know the government is preparing new legislation on Crown corporations of which members of this chamber have not yet been made aware. It is a piece of legislation that is being drafted in secret. It seems to me that at least some of the content of the legislation, and indeed the recommendations of the royal commission, would have been most useful in dealing with legislation as important as the bill before us.

While indicating to the House that we on this side support the principal thrust of Bill C-20, we must make that support conditional pending the outcome of the two factors which I have just mentioned, namely, the new legislation which will be introduced at some later date, and the recommendations of the Lambert commission. It is our feeling that changes to the bill may very well be needed at that time, so we want to reserve the option to press the government for the needed changes to the Auditor General Act pending the outcome of these two matters.

The debate during the committee stage showed that there was a great deal of concern among members from all parties with respect to the auditor general's relationship with Crown corporations. The President of the Treasury Board (Mr. Andras) refused to allow any amendments which would have strengthened the legislation in that regard, because he claimed that new amendments to the Financial Administration Act were the proper vehicle to deal with such matters. It is our feeling that in terms of the auditor general's relationship and association with Crown corporations he might not have adequate tools and safeguards built into the legislation to deal with matters relating to the financial control and management of Crown corporations. He can only rely on the President of Treasury Board in that respect and deal with it at some unspecified date in the future.

It would seem logical that, as a minimum, the minister might have outlined the general changes which he expects to bring forward with respect to Crown corporations. But that was not the case, either. This to some extent has inhibited our ability to examine this piece of legislation thoroughly and to give it the kind of special attention it deserves because of these unknown factors. When the new Crown corporations legislation is introduced, and when the royal commission brings in its findings, it will probably be incumbent upon us and the government to move some amendments. So, once again, it is on that basis that we are supporting the legislation now. The Auditor General has expressed the desire that the bill be passed as soon as possible, and we will certainly respect his wish; but at the same time I can assure hon. members that we will not be losing our files on this legislation.

The next area of concern which I want to express is with regard to the relationship between the government and the auditor general. May I say at the outset that our party's respect for and total, unqualified confidence in the auditor general has been placed on the record on countless occasions. However, I have to say that there are trends which we have observed which cause us some uneasiness. I am speaking about what appears to us and what has been perceived as a less than adequate distance between the government and the office of the auditor general. I am reminded of the words of the former president of the treasury board, the present Minister of Industry, Trade and Commerce (Mr. Chrétien), who was fond of saying that his relationship with the auditor general was cordial but not cosy. I think it is fair to say, if my observation is correct, that the relationship of the president of treasury board and the auditor general has become rather more cosy in recent times.

Let me illustrate a case in point. A clear example of this new-found brotherhood is to be found in the reaction to some 38 amendments which committee members advanced at the committee stage. The number was later reduced to 21 because of duplications, etc. The Auditor General and the President of the Treasury Board were essentially in agreement on every one of those amendments. This agreement for the most part was total, except in four instances when the President of the Treasury Board disagreed. The Auditor General termed the amendments acceptable, but prefaced that position by saying he preferred the present wording. The similarity of the position taken by Treasury Board and that of the Auditor General—traditionally two forces at cross-forces—can, if overdone, impede the effectiveness of the office of the auditor general. There is a perception, well founded or otherwise, that the auditor general might become more the auditor for the government and less the auditor of the government for parliament. That is a concern which some of us feel.

Many of the provisions in the original Bill C-20 also underlined this development. Clauses 7 and 8 require that the auditor general's report be submitted to the minister of finance, and the minister is to table it within 15 days. The results of this were made clear last November when the government used this time to devise the stalling tactic of appointing a royal commission the establishment of which was announced on the same day as the Minister of Finance tabled the Auditor General's report. Fortunately, an amendment was introduced and accepted to end this practice by referring the auditor general's annual report directly to the Speaker of the House of Commons.

I think this is a very important measure because it also serves as a symbolic gesture to parliament in that the auditor general, by referring his report directly to the Speaker of the House, becomes more directly responsible to parliament through the Speaker, and thereby to members of parliament. It is very important that the auditor general is seen in the eyes of the public as a servant of parliament. He must not be seen primarily as answerable only to the minister of finance but, rather, to be answerable to parliament through individual members of parliament and through the Speaker. I think that provision advances a principle that we feel is important.

● (1710)

It is interesting to note that at the time Bill C-20 was introduced, and throughout the subsequent debate which took place, there was no comment made by the office of the Auditor General with respect to this provision. It is fair to say that the Auditor General supported the amendment, but so, too, did Treasury Board.

Another provision which has caused hon. members on this side some concern is clause 10. Unfortunately, our amendment to correct the deficiency in it was turned down by Treasury Board and by the Auditor General. This clause provides that whenever it appears to the auditor general that any public money has been improperly retained by any person, he shall forthwith report the circumstances of the case to the president of treasury board. This clause is a continuation of the current provisions of the Financial Administration Act, and in my view it is seriously deficient. Among the several cases of improper retention of funds which auditors general have had to deal with over the years, the best known case was referred to in the 1972 annual report. In paragraph 74 of that report the then auditor general said he had to report the improper retention of moneys which involved the then president of treasury board himself. That case involved some $34 million of public funds.

In that particular case the then auditor general waited several months for the then president of treasury board to respond to his questions before he was obliged to report that illegal retention to the House of Commons in his annual report. What is more interesting is that during that lapse of time an election was held, so the facts of this matter, which could have been potentially embarrassing to the government, were withheld from parliament and thereby from the public of Canada. Because of the possibility of further instances where presidents of treasury board could arrange for the improper retention of public moneys, it is absurd and totally unacceptable to have auditors general reporting such instances only to presidents of treasury board.

My argument is strengthened by the fact that under the existing legislation the auditor general can bring forward a

special report from time to time on any matter he considers to be of a significant nature, so it seems to me that surely this loophole should be closed. I am not suggesting for one minute that the present President of the Treasury Board would exercise that opinion, but as I said earlier, the true test of this legislation will be how it stands the test of time. I want to reiterate again that we in our party have great confidence in the present Auditor General. We can well understand what he has gone through in terms of the bargaining and negotiating which may have taken place, particularly as a result of the 1976 report he brought before the House. It was a very strong report, with some very strong recommendations. In very straightforward language it called upon the government to clean up the mess. The Auditor General was very straightforward and frank in advocating a formula for cleaning up the mess, and the recommendation of the appointment of a controller general was certainly one recommendation about which he felt very strongly.

However, I suppose it is fair to say that he was also very keen about getting this legislation through. He was very excited about it. I think there had to be some balance, a little bit of give and take, and quite frankly I am sure we can sympathize with him in trying to obtain the best of both worlds. While the relationship between the Auditor General and the President of the Treasury Board appears to be very close, I am sure that will not in any way jeopardize or compromise the ability of the Auditor General to do his job properly. I hope that in the future, when others are appointed to this very onerous and difficult task, the relationship between the government and the appointees will be kept at a distance in order to preserve the independence and effectiveness of this very important position.

It should be recognized that under the present arrangement the office of the auditor general has a fair amount of financial resources to distribute in terms of obtaining professional help from the accounting profession. This, too, is a matter which cannot be treated lightly. The auditor general has millions of dollars to distribute on outside contracts, which could easily go to friends of the party in power. That is why it is very important that we choose an auditor general who has the high calibre and the high degree of integrity of the present Auditor General. In that connection, I have to note that it was with a great deal of reluctance that the government accepted the idea that minimal qualifications should be imposed upon the appointment of auditor general. We proposed, and the government accepted the fact, that the person who is selected for this office should be a qualified auditor. The original section of the act did not define any qualifications whatsoever.

It is important that the confidence of the public and of parliament be maintained. If the auditor general is to be seen as a strong, independent watchdog of the funds which are distributed on behalf of the people of Canada, in order for him to keep that confidence and that independence he must be a man who is highly competent and highly qualified in this field. Only in this way can he maintain the effectiveness of the office as well as its prestige and integrity.

I spoke a few moments ago about the large amount of funds now available to the office of the auditor general. In no way are we questioning the efficacy of allowing a rather substantial increase in appropriations for the office of auditor general. Since this Auditor General was appointed, the budget of his office has increased from $3.8 million to $20.4 million. That means that the office has been significantly strengthened. It has been strengthened because of the resources available to the office and the additional manpower it has, and it will be strengthened by this legislation.

However, throughout the process of strengthening the office of the auditor general, parliament has been weakened. That bothers us. It bothers us that amendments such as the valid amendments proposed by the hon. member for Peace River (Mr. Baldwin) are treated so lightly and casually. The auditor general releases his report, the report is referred to a committee and in many respects the committee becomes an adjudicator. It has to consider the report and hear the evidence of the minister or the government officials involved, and in many respects it has to be the judge. The committee does not have the power, the resources or the capability to do this job in an effective manner.

The committee should have unlimited power to call witnesses and papers. The auditor general can exercise the provisions of the Inquiries Act. We went through such an exercise when we were dealing with the AECL and the Polysar issues. Notwithstanding a very determined and sincere effort on the part of committee members from both sides of the House, we were not able to get very far in getting to the bottom of the references which were alluded to in the report of the Auditor General.

It is important that the office of the auditor general be strong, but it is also important that we recognize that the auditor general is a servant of parliament. He reports to parliament. The committee which receives his report must be equally strong so that it can deal with his reports in an intelligent and effective manner. With the power of parliament being eroded, a strong auditor general could do a good job. But in many ways parliament is powerless to act. We must remember that in the 1976 report he warned the country that parliament is close to losing control of the public purse.

● (1720)

What disturbs me is that neither Bill C-20 nor any other measure of the government we've seen lately do anything to alleviate this state of affairs. My colleagues and I have tried to have measures incorporated in the bill which would provide an expansion in parliamentary powers to complement the increase in powers and resources given to the auditor general. We wanted the public accounts committee to be protected by statute and to be given the investigatory powers, the staff and resources that would enable it to do its job. The inability of the committee system to deal effectively with the report of the Auditor General is highlighted by his 1976 report. I refer specifically to the matter of AECL. The Auditor General was only able to report the irregularity in this case because proper

receipts were not maintained. If they had been, parliament would never have known about it. Presumably, under the new Auditor General Act, the auditor general could now include reference to payments such as those in his report to the House, no matter what receipts were on hand, by questioning the efficiency and effectiveness of the spending.

Where does this leave the parliament of Canada and the committee system, Mr. Speaker? We are back to square one. The auditor general has more power to comment on the expenditure of funds which in his view may not be spent in an effective manner, than the committee has to get to the root of the problem. The committee has not been strengthened at all. All it can do is study the report, hear the government's witnesses and balance the two views before coming to a decision.

The AECL hearings were stonewalled. We were not given complete information, nor were we able to call the witnesses we desired or required. Our work was, therefore, ineffective and incomplete.

Miss MacDonald: And the minister did not answer questions.

Mr. Mazankowski: The minister had frequent lapses of memory about approval of capital budgets and other things. That the committee did not do a good job of looking into the AECL fiasco is no reflection upon its members, but is the result of a hopelessly inadequate committee system. The government continues to refer to the committee system in glowing terms, but if it is to be an effective tool of this parliament it must be improved and upgraded. It is a sorry situation when the press have more resources than the committee system. They did a much better job of checking into the AECL matter than the committee, because they had more resources, more money, more time. Passage of this bill will not improve the committee system, Mr. Speaker. We may find out about more nefarious practices, but we will still have no way of getting to the root of the problem and finding out what actually transpired.

The government's abuse of the $1 vote is another example of how parliamentary control is being destroyed. During the committee proceedings on Bill C-20 we attempted to have an amendment passed that would allow the auditor general to comment on money spent for purposes other than that for which it was originally appropriated. Treasury Board turned the amendment down on the grounds that this bill was not the proper vehicle for discouraging the use of $1 votes. What is the proper vehicle, Mr. Speaker? There were 52 $1 vote items, some of which Your Honour found to be out of order. Some had to come back in the form of legislation.

As far as I am concerned, and as far as this government is concerned, there is no proper vehicle for restoring the authority of parliament. But it must be restored, Mr. Speaker. Parliament is becoming more and more of a nuisance to this government. To realize this we just have to look at the form and content of the estimates and the way they are handled; at the $1 vote items; at the weak forecasting of expenditures and the use of supplementary estimates; at the guillotine rule; at the powerless committees. There can be no doubt about this government's intentions, and the passage of the Auditor General Act does nothing to change things. The government is in a sorry state.

Mr. Oberle: Innocent ignorance.

Mr. Mazankowski: We look at Crown corporations and—

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member as his time has expired. The special order which was adopted to extend the hours of sitting, at the same time limited speeches to 30 minutes. The hon. member would require unanimous consent to continue. Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Mazankowski: Thank you, Mr. Speaker. I shall try not to abuse the privilege. I want to conclude by saying the spending programs of the government have grown astronomically. We have a situation where Crown corporations have become kingdoms unto themselves. I am happy that the minister is going to look into this situation very closely. Let there be no doubt that Bill C-20 will not do the job of clearing up the mess of government mismanagement and improper parliamentary control.

It seems to me we should be looking at two or three areas that would help us, as parliamentarians, to examine the spending practices and habits of the government. I think we should consider the possibility of establishing some form of independent review agency to appraise and evaluate ongoing government programs and consider alternative ways of operating those programs more efficiently and effectively. There should be an accurate appraisal of cost-benefit analysis of existing programs. Surely it is time we considered initiating some of the concepts of zero-base budgeting. Perhaps we should start with a few selected Crown corporations or government agencies and later extend it to other areas. The incremental budget process which has been used over the past few years has been a disaster.

● (1730)

I note in the *Globe and Mail* that the President of the United States has mandated that the federal budget for fiscal 1979 will use zero-base budgeting. In addition, it is stated that 11 states have adopted zero-base budgeting, more than ten cities are trying it out, and major companies have applied it to some of their operations. It is time we seriously considered the concept of zero-base budgeting. It is still a relatively new theme. There are a number of seminars and conferences on this very important subject. We should get on with the job.

As well, we should consider very seriously establishing a permanent joint committee of the Senate and House of Commons to deal solely with the Crown corporations in this country. The committee should be composed of a permanent membership and should conduct itself in a non-partisan

manner. It should be given the power to initiate investigations on its own, and given the necessary legal, technical and financial staff to properly conduct its task. All reports of Crown corporations should automatically be referred to that joint committee, and any corporation could be called before the committee at its discretion. We should have either this committee or a royal commission to examine all Crown corporations in order to determine if they are still fulfilling a useful purpose and if, in fact, many have not outlived their usefulness and have become redundant. We know that Crown corporations are created by the stroke of a pen. Many times they are created to serve a distinct purpose. However, after they have fulfilled that purpose they continue to exist. There is good reason to have a thorough examination of the numerous Crown corporations in existence.

Fourth, as I said earlier, we must work toward restoring the supremacy of parliament by overhauling the committee system, strengthening our committees, giving them more power, more resources and the power to initiate action. Moreover, this government must become more liberal with the information that it provides to parliament and the public of Canada. As a starter, the government should introduce a freedom of information act along the lines advocated by my colleague, the hon. member for Peace River. We in this country are facing a confidence crisis in our institutions and parliament. There is a growing wave of cynicism in this country. People believe our parliamentary institutions, parliament and governments, do not listen. The government is not held accountable to the people. Crown corporations are not held accountable. There is a void of information. Surely this is one area where public confidence could be improved by providing a greater amount of information on how the people's money is being spent and whether, in fact, it is being spent wisely or foolishly. Government and parliament must regain control over public spending in this country. The public service must be rewarded for efficiency rather than empire building. We must work toward containing the growth of the public service. What is really happening in this country, as it has happened in other western industrialized countries, is that we are living in a society where we have a growing number of non-producers and a lessening number of producers.

In conclusion, it is with some regret that we do not have a total package before us which would clean up the mess of government mismanagement and lack of government control. I can only hope, on behalf of all Canadians and especially those who contribute so much of their hard-earned money to the government in taxes, that the new powers bestowed upon the auditor general will be used to shake this government into action. Only if he takes the offensive can these new powers, and Bill C-20, be seen as worth while and justified. Only then can the auditor general be really fulfilling his mandate to protect the taxpayers of Canada.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my remarks will be brief. I must say, in reference to the remarks of the last speaker, that I am far less concerned about the committee system as it is constituted than I am about the ineffectiveness of the opposition in these committees. The official opposition has its research bureau paid for by public funds. It surely is incumbent on the members of the opposition to decide for what purposes they use the resources available to them.

The discussions in committee on Bill C-20 have been most interesting and, for the most part, non-partisan. Amendments to improve and strengthen the bill were discussed and many have now been incorporated, including suggestions put forward by members of the opposition parties. Amendments that were not accepted are, in some instances, to be considered in changes which are proposed to other pieces of legislation. One of the amendments voted down earlier today is in this category. I concentrated my attention on that section of the bill which deals with economy and efficiency in the public service and the various government agencies; also on the effectiveness of the programs. I want to make reference to that section at this time.

In the bill one can read that each report of the auditor general shall call attention to anything that he considers to be of significance and which should be brought to the attention of the House of Commons. These include any cases in which he has observed that money has been expended without due regard to economy or efficiency, or satisfactory procedures have not been established to measure and report upon the effectiveness of programs. The specific subsections are intended to implement that part of the recommendations of the independent review committee proposing that the auditor general should, in his annual report to the House of Commons, call attention to any cases where he has observed that value for money has not been obtained for any expenditure or expenditures.

The committee described its "value for money" concept when it indicated that the concept encompasses three interrelated components: whether the money is expended economically and efficiently, and whether the program on which it is expended is effective in meeting its objectives. Economy and efficiency are susceptible to reasonably objective definition and measurement, and the auditor general should take due account of them in conducting his examination of expenditures. However, the assessment of the effectiveness of a program or policy depends upon the political judgment of parliament and the confidence that parliament has in the government of the day. The auditor general is required to report to the House of Commons when he observes that satisfactory procedures have not been established to measure and report upon the effectiveness of programs where such procedures could appropriately and reasonably be implemented.

The bill places no restriction on the auditor general's right to assess the various procedures used in government to ensure economy and to measure the efficiency and effectiveness of programs. The auditor general would report to the House on poor procedures and on the government's failure to implement satisfactory procedures where they could reasonably be expected to be applied. An assessment of the procedures should include an assessment of the adequacy of the reporting of the

results of the government's own evaluation techniques both within government and to parliament. The difference in wording between subsections (d) and (e) of paragraph 7(2) emphasize the qualitative difference between the concepts of "economy" and "efficiency" which are susceptible to objective measurement, and that of "effectiveness" whose measurement is essentially a matter of judgment.

● (1740)

Bill C-20 requires the auditor general to comment on the absence of effectiveness measurement procedures where he feels that they could be of benefit, but clearly excludes the auditor general from conducting effective audits himself and thus becoming involved in judgemental decisions which are, by their very nature, political in character. The evaluation of the effectiveness of the government programs is a constitutional responsibility of parliament itself, and the wording of the bill protects the office of the auditor general from any danger of being drawn into political debate.

Everyone is concerned about the need for procedures which may be used to ensure that federal government programs are managed economically and efficiently and that they are effective in meeting the stated requirements of government policies. The underlying intent of sections 7(2)(d) and (e) of Bill C-20 is to require the auditor general to comment on uneconomical and inefficient practices, and furthermore to comment on any absence of effective evaluation procedures, including reporting mechanisms, where he feels that such procedures could be beneficially applied.

Mr. Speaker, Bill C-20 is a good piece of legislation that should go a long way toward alleviating the anxieties of the public who are naturally concerned about the manner in which their taxes are spent. I can now unreservedly support the passing of Bill C-20, an act respecting the office of the auditor general.

Mr. Gordon Towers (Red Deer): Mr. Speaker, administration of finances is the pivot on which management of a household, a business, a hobby, recreation, or any function progresses or fails, depending on the desire and capability of the person or persons handling the funds. When the operation is strictly personal or a private venture, the impact is perhaps not serious—at least, the amount involved is small. When we come to the issue of government financial administration, the picture is entirely different: we are involved in the trustworthiness of government, which operates solely on the taxes it levies on the population of this country, a matter of grave importance, and huge amounts.

It is all very well to say the federal government is doing the job efficiently simply because we have an auditor general, but his authority comes into effect after the funds have been spent. Therefore, regardless of the degree of authority he has, he is placed is an unenviable situation. The auditor of government books must try to ensure the general public that their money has been used sensibly and that adequate value was received, but he does not have an opportunity of limiting the amount paid, or checking on what was received, until long afterward. At best, his scrutiny, diligence and findings can affect government operations in the ensuing year or in the future.

[Mr. Herbert.]

The auditor general is the individual our taxpayers rely on to restore common sense so that government spending will be controlled. The auditor general has said the finances of this government are practically out of control. What has the government done to correct such careless disregard of money which does not belong to it to squander? I am not aware of any serious intent or action on the part of the government to cut back or to curtail spending to legitimate projects, although I have heard and read many cabinet ministers boast of their restrictions. Perhaps they have succeeded in convincing some taxpayers that their efforts are sincere and the results positive, but those who are aware of this year's $7 billion budget deficit must have doubts.

The auditor general does not, of course, participate in the preparation of the federal budget, but he should have authority to ensure that every dollar is accounted for precisely, that it had to be spent, and that full value was returned. If he cannot inform the general public of what is taking place behind the scenes of government finances, who will?

When I speak of government, I do not exclude the operations of parliament itself, over which the auditor general does not have any say, before or after. Criticism was levelled at parliament by the news media when it became known that House of Commons' staff positions totalled 2,554 last year and now number 2,746, averaging more than ten for each member of parliament. One must not overlook the related expenditures, regardless of where the staff is located—furniture, equipment, stationery, salaries, etc. Only members of parliament, all elected representatives, can exercise restraint as far as this House is concerned. Everyone could and should do so, thereby setting an example. Somebody must start the ball of restraint moving in the right direction, and in my opinion Parliament Hill is the place to start the game.

Mr. Speaker, are Canadians better served by this out of control hoist in the cost of operating the House of Commons? Is it fair to criticize this government, or any level of government, for overspending or overgoverning if we are following the same trend like a flock of sheep moving to greener pastures? I realize that everyone in this House is responsible to his or her electors, but I doubt that any voter would criticize an elected representative for exercising restraint and explaining why and how this was accomplished. Every worthy cause or deed has a beginning, and that beginning could be small. Its size at the onset is not important, but how it grows in the right direction is. Would it not be far better to be admired for good management and sensible use of taxpayer dollars than to do something just because others are? Why not be different? Why not restrict spending right here on Parliament Hill where the laws are enacted?

Yesterday, the hon. member for Leeds (Mr. Cossitt) drew attention to a dangerous statement of the Prime Minister (Mr. Trudeau) when attending the recent Commonwealth Conference where he said there is such a thing as one-party democracy, a form of government with which he apparently agrees. If

this is the philosophy of the Prime Minister of Canada, head of a government which has been in office for approximately 36 of the last 42 years, it is not difficult to see what is happening to our country, and why, with that kind of thinking. In other words, this government is not satisfied with a stranglehold over the country's economy, but has a goal to exercise its dictatorship over the very well-being of its population. The longer this is perpetuated, the greater the danger of sacrificing our destiny, Mr. Speaker.

Greed is at the root of all evil, or so it is said. Perhaps greed of power is the most dangerous of the countless forms of greed we know. This government, in its attempt to camouflage inept handling of public funds, and by its willingness to continue to waste and squander that never-ending source of supply through an inadequate bill, is an excellent example of abuse of power and its insatiable appetite to spend.

The responsibilities of the auditor general are onerous; his position is one of the most important within the federal government; he should not be hampered or muzzled, restricted or ignored while he is examining the books and after he has reported the results. My preference would be to permit the auditor general of Canada to be more responsible than this legislation specifies, by giving him the power and the tools which would enable him to certify the accounts of Canada, without reservation. To place his signature of approval on those accounts there must be legislation to allow it and to protect him and his position.

Mr. Speaker, I now come to the unacceptable policy of this government of making decisions by order in council, a method by which large amounts are spent without reference to parliament or to the auditor general. That system of government is really not democratic, for the simple reason that it is secret and never publicly revealed. If the cabinet insists on carrying out its responsibilities in that manner, there should be a clause in this bill authorizing the auditor general personally to scrutinize all moneys allocated by order in council.

Mr. Paproski: Blind faith.

Mr. Towers: Yes, as my hon. friend from Edmonton Centre (Mr. Paproski) has just said, it is now a matter of blind faith. Otherwise, not only do MPs not know, but the source of those funds, the general public, are kept in the dark as well. Who pulls the string on the order in council purse? The auditor general has said his desire is to have the relationship of his office with the government cordial, but not cosy. Nobody would frown on cordiality, but I fear that the relationship could become both cordial and cosy, though not through the intent or actions of the auditor general. What is meant by the word "cordial"? Does it mean that officials within the department of the auditor general, many of whom are former senior employees of government with a direct line of communication to cabinet, can undermine the authority and aim of the auditor general through their cordiality? Can anyone, morally, serve two masters or are there two masters? Often a slip of the tongue during friendly, harmless conversation results in harm. Do such people sever all mental connections with former associates, business, social or otherwise? Would it be fair to expect that? Are they unconsciously influenced by their former occupation and automatic ties to government, and by their access to the orders in council which I mentioned earlier? Being human beings, we all have weaknesses and I understand it would not be easy for certain individuals to cut themselves off, so far as work is concerned, from their former attitudes and thinking while involved in government spending and decisions in one federal department or agency when they take on duties in the office of the auditor general. Can such personnel in fact detach their minds to the degree required so that they can efficiently perform their job and ably assist our auditor general?

● (1750)

An hon. Member: Keep going.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I understand that my colleague from Red Deer (Mr. Towers) has only a few more remarks to make, and in the interests of getting this legislation through would it be possible for him to conclude his remarks before we follow Black Rod to the other place?

Mr. Paproski: Or when we come back.

Mr. Speaker: There is nothing to prevent the hon. member concluding his remarks and possibly completing passage of the bill, without seeing the clock, when we return from the other place.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1800)

[*Translation*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-58, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1978—Chapter No. 22.

Bill C-48, An Act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act—Chapter No. 23.

Auditor General Act

Bill C-26, An Act respecting the organization of certain scientific activities of the Government of Canada—Chapter No. 24.

Bill C-50, An Act to amend the Judges Act and other Acts in respect of judicial matters—Chapter No. 25.

Bill C-46, An Act to amend the Aeronautics Act and the National Transportation Act—Chapter No. 26.

Bill C-3, An Act to amend the Canada Deposit Insurance Corporation Act—Chapter No. 27.

Bill C-53, An Act to correct anomalies, inconsistencies, archaisms, errors and other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada 1970 and other Acts subsequent to 1970—Chapter No. 28.

Bill C-12, An Act to implement conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax—Chapter No. 29.

Bill C-4, An Act to amend the Canada Lands Surveys Acts—Chapter No. 30.

Bill C-6, An Act respecting Diplomatic and Consular Privileges and Immunities in Canada—Chapter No. 31.

GOVERNMENT ORDERS

[*English*]

AUDITOR GENERAL ACT

MEASURE RESPECTING OFFICE OF AUDITOR GENERAL

The House resumed consideration of the motion of Mr. Andras that Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto, be read the third time and do pass.

Mr. Speaker: Order, please. Before we were interrupted, the hon. member for Red Deer (Mr. Towers) had almost concluded his remarks. I believe there is a disposition to allow the hon. member to complete his remarks, then to put the third reading motion.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. We are agreeable to concluding the deliberation on third reading stage, the hon. member for Red Deer who is not here having, I understand, completed his blistering attack on the government.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

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

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order to ask the acting government House leader what is to be the business for tomorrow.

Mr. Goodale: Mr. Speaker, we intend to proceed tomorrow with the report stage of Bill C-51.

Mr. Alexander: Mr. Speaker, I rise on the same point of order. Could the acting House leader say what is to happen with respect to Bill C-49, so that we know what is happening?

Mr. Goodale: Mr. Speaker, there has been the usual discussion concerning the business for today. We hoped that we could deal with the auditor general bill and the amendments to the Canada Pension Plan this afternoon. Unfortunately, that was not possible. We want to proceed at the earliest opportunity with consideration of the Canada Pension Plan amendments, but intend tomorrow to call Bill C-51.

Mr. Alexander: Mr. Speaker, I assume that on Monday we shall deal with Bill C-27, the amendments to the Unemployment Insurance Act, as intended, and that Bill C-49 will not come forward until after next Monday.

Mr. Goodale: That is correct, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): It will come on some time in July.

Mr. Goodale: Mr. Speaker, July is not far off—one day.

Mr. Speaker: Order, please. It being after six o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 6.11 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, June 30, 1977

The House met at 11 a.m.

[*English*]

BUSINESS OF THE HOUSE

HOURS OF SITTING TODAY

Mr. Goodale: I rise on a point of order, Mr. Speaker. There have been discussions with regard to the hours the House should follow today, and I believe there is agreement to alter those hours. All members have, I think, been informed. I should like, therefore, to ask the Minister of Justice to move the appropriate motion.

Mr. Basford: As the parliamentary secretary has said, this motion arises from the usual discussions. I, therefore, move:

That on Thursday, June 30, 1977, the House shall take up private members' business between 4:00 p.m. and 5:00 p.m., and shall adjourn at 5:00 p.m.; and

That on Tuesday, July 5, 1977, and Thursday, July 7, 1977 the House shall sit from 11:00 a.m. to 1:00 p.m. to consider government bills.

Mr. Hnatyshyn: As the parliamentary secretary has said quite correctly, there have been discussions through the usual channels and we in the official opposition are agreeable to this proposal. I hope that some time later today an announcement can be made with respect to the business which is to be carried on. I understand that the New Democratic Party are anxious that Bill C-51 should not be considered during the extended hours next Tuesday.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, there have been discussions and we are prepared to agree with this change of hours, or this trade-off, in order that members can get to their constituencies tonight in time for the celebrations tomorrow. The hon. member for Saskatoon-Biggar is quite correct: we have requested that during the extra sitting on Tuesday, between 11 a.m. and 1 p.m., Bill C-51 not be called, since one of our members is committed to attend the law of the sea conference. We will be satisfied with any other item of government business being called that morning. I believe it is already understood that we will be on Bill C-27 on Monday. Perhaps I can assume that we will continue with Bill C-27 on Tuesday morning.

● (1110)

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, on behalf of the Social Credit Party of Canada, we accept the decision of the leaders. Despite the fact that we were unable to take part in the discussion yesterday, for very important reasons, I am pleased to tell the House that we agree with the decision.

[*English*]

Mr. Woolliams: Mr. Speaker, may I rise on the same point of order to ask the Minister of Justice about Bill C-51, whether it is coming up on Monday or not.

Mr. Basford: Mr. Speaker, I am really uninstructed on that matter. Personally, I thought it was coming up on Monday, but I understand the House leader made some announcement and we are taking Bill C-27 on Monday. With regard to the business of the House both on Monday and for the extended hours on Tuesday, I presume that the House leader will be having discussions and making an announcement in the course of the day.

Mr. Speaker: Perhaps that can be confirmed this afternoon when the House is here for the question period and the usual announcement is made. The House has heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Goodale: Mr. Speaker, may I make one further brief point. I should like to make a correction to yesterday's *Votes and Proceedings* respecting the business for private members' hour today. It had been recorded in *Votes and Proceedings* that after we had dealt with the constituency change of names bill, and after we had dealt with Bill C-256, we would then use the balance of the hour to deal with motions for production of papers. I think there is agreement that we not do that, but that we simply deal with the first two items of business in the course of that hour. There has been an undertaking that we will move to motions for production of papers, particularly motion No. 15 standing in the name of the hon. member for Yorkton-Melville (Mr. Nystrom), at the earliest opportunity next week.

Mr. McGrath: Mr. Speaker, may I ask the parliamentary secretary a question? Certainly, I agree with the procedure being followed, but may I ask the parliamentary secretary whether consideration was given to my private member's bill, which is the next one to be called and which has been postponed by agreement on two occasions. If it is not called today, of course, it will very likely die with the session.

Mr. Goodale: Mr. Speaker, I will take up that point specifically. It would be our hope to call it before the session adjourns, but I will try and be more specific for the hon. member later in the day.

Mr. McGrath: Mr. Speaker, since the bill deals with an amendment to the Broadcasting Act, and it is now very

relevant and appropriate in light of the findings of the LaMarsh commission on violence on television, would the parliamentary secretary undertake to take this matter up with the Minister of Communications (Mrs. Sauvé), with whom I have also had consultations?

Mr. Goodale: Yes, Mr. Speaker, I will.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

The House proceeded to the consideration of Bill C-51, to amend the Criminal Code, the Customs Tariff, The Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Order. The Chair has had an opportunity to examine in a cursory way all 39 motions standing on the order paper, and at this time is prepared to indicate that I do not see procedural difficulty in respect at least to the first 16 motions. In order to be sure that the House has ample business to occupy it for today, I would propose, as an initial recommendation, to group those first 16 motions for discussion, during which time I will have an opportunity to examine the remaining motions.

Motion No. 1, standing in the name of the hon. member for Moose Jaw (Mr. Neil), is acceptable for debate and, if required, will be voted on separately. Motion No. 2, standing in the name of the hon. member for Palliser (Mr. Schumacher), will be debated and voted on separately. Motions Nos. 3, 4, 5 and 6 could be grouped for debate and, if required, a vote on motion No. 3 would also dispose of motions No. 4, 5 and 6. Motions Nos. 7 and 10 can be grouped for debate, with a vote on motion No. 7 disposing of motion No. 10. Motions Nos. 8 and 9 should be grouped for debate, with a vote on motion No. 8 disposing of motion No. 9. Motion No. 11 would be debated and voted on separately. Motions Nos. 12, 13 and 14 could be grouped for debate, with a vote taken on motion No. 12 disposing of motions Nos. 13 and 14. Motions Nos. 15 and 16 would be grouped for debate, but voted on separately if required.

If there is any comment, I would be glad to hear it now.

Mr. Woolliams: Mr. Speaker, I find nothing wrong with the grouping, but I should like to make one suggestion respecting my own amendments. I have four amendments relating to that part of the bill dealing with guns. Motions Nos. 6, 11 and 13 deal with onus and put the onus on the accused rather than on the Crown. If they were grouped, I would say it would be a proper package. I have discussed the matter with the hon. member for New Westminster (Mr. Leggatt) and he has agreed with it. So dealing with my own amendments, Nos. 6, 11 and 13 can be grouped; and my motion No. 25, which deals with orders in council, can be debated separate and apart from the others.

May I also make this suggestion. The hon. member for Palliser (Mr. Schumacher) is not here. I tried to contact him in his constituency this morning but was unable to reach him. Most of the amendments were moved at committee stage, and some were lost by eight to nine. I believe one may have been accepted by the minister if it had been phrased a little differently. Therefore, I ask that all the motions moved by the hon. member for Palliser stand for today. My motions and those of the hon. member for New Westminster are ready to proceed, as is that moved by the hon. member for Moose Jaw (Mr. Neil). They would pretty well take most of the day. It may be that after some discussion the hon. member for Palliser may feel he extended himself a little in the number of amendments he is moving, and perhaps some will be withdrawn. I see the hon. member for Dauphin (Mr. Ritchie) is here. If we run out of work, we could debate his amendments. But I ask that motions Nos. 6, 11 and 13 be called together.

In light of the fact that these are being grouped together, I would ask the House to give me a little longer than the usual 20 minutes, if necessary. I shall be making only one speech, but I will, of course, be dealing with three different parts of the bill. So far as the gun control provisions are concerned, I have really only two amendments; I am grouping three, and the other stands alone. I can deal with the wiretapping part of the bill later.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think we know what the hon. member wants, but he has been looking at Monday's order paper, and today is Thursday, so he has the wrong numbers. Instead of motion No. 6, I think the hon. member means motion No. 7. I believe his three motions are Nos. 7, 11 and 13.

Mr. Woolliams: Mr. Speaker, I was reading Monday's order paper, which is when I did my homework, and I see the numbers are different on today's order paper. I believe the hon. member is right in that regard.

Mr. Knowles (Winnipeg North Centre): What are the numbers the hon. member wants?

• (1120)

Mr. Speaker: Order, please. In any case, if I understood the hon. member for Calgary North (Mr. Woolliams), he included in his grouping motion No. 1 in the name of the hon. member for Moose Jaw (Mr. Neil). If my understanding is not correct, would that be dealt with separately?

Mr. Woolliams: Yes, separately, Mr. Speaker.

Mr. Speaker: Therefore, the proposal is that motion No. 1 in the name of the hon. member for Moose Jaw would be dealt

with separately, and when we come to motion No. 7, if that is the case, motions Nos. 7, 11 and 13 will be grouped.

Mr. Knowles (Winnipeg North Centre): Motions Nos. 7, 12 and 14.

Mr. Speaker: We will deal with that in a moment once the hon. member for Calgary North has had an opportunity to sort it out.

Mr. Woolliams: Mr. Speaker, it will be motions Nos. 7, 12 and 14, because the hon. member for Moose Jaw filed his motion a little later than we did, which moved ours down. If the hon. member for Moose Jaw wants to include No. 1 in his, that is fine with me. Otherwise, it remains the same as I have suggested.

Mr. Speaker: That being the case, we would begin with motion No. 1. Motion No. 2 will be debated and voted separately; then the grouping of motions Nos. 3, 4, 5 and 6 will be discussed. When we reach motion No. 7, it will include motions Nos. 12 and 14.

There is an application that motion No. 2 in the name of the hon. member for Palliser (Mr. Schumacher) be stood over until the hon. member can be here, which is reasonable under the circumstances. Motions Nos. 3, 4, 5 and 6 are in the name of the hon. member Palliser. Therefore, the proposal would be to deal with motion No. 1 in the name of the hon. member for Moose Jaw (Mr. Neil) and then to move directly to motion No. 7 in the name of the hon. member for Calgary North (Mr. Woolliams).

Mr. Basford: Mr. Speaker, I should like to indicate, from my side, that that is agreeable—that the motions in the name of the hon. member for Palliser (Mr. Schumacher) be stood for the rest of the day until we next deal with this bill. Therefore, I agree with calling motion No. 1 and then proceeding with motion No. 7.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if photostatic copies of your notes could be distributed in order for us to do our own checking.

Mr. Speaker: Yes, that would be helpful and I would be happy to do so. We will arrange for that forthwith.

Mr. Doug Neil (Moose Jaw) moved:

Motion No. 1.

June 28, 1977,—That Bill C-51, an act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be amended in clause 3 by striking out lines 47 to 49 at page 3 and lines 1 to 8 at page 4 and substituting the following therefor:

"(*b*) any firearm that is designed or adapted to be fired when reduced to a length of less than twenty six inches by folding, telescoping or otherwise,".

He said: Mr. Speaker, I should like to make a few comments in connection with this amendment. Effectively, what it provides for is to remove subsection (*b*)(i) and renumber (*b*)(ii) as (*b*). Subsection (*b*)(i) reads as follows:

(*b*) any firearm that

(i) is not a prohibited weapon, has barrel that is less than 18½ inches in length and is capable of discharging centre-fire ammunition in a semi-automatic manner, or—

The reason for this amendment was set forth very well in the Standing Committee on Justice and Legal Affairs, which can be found in issue No. 18 dated June 2, 1977. I should like to refer to what Mr. L. H. Nicholson, the chairman of the firearms legislation committee, said at page 18:8, which reads as follows:

The next item is the definition of "restricted weapon". This is a new definition of a restricted weapon. It would include one that is semi-automatic or self-loading, discharges centre-five ammunition and has a barrel under 18.5 inches in length. It is understood that the purpose here is to provide some control over the M-1 carbine, an arm now favoured by criminals, but unfortunately it also covers other makes and other models in significant numbers now used by good citizens in hunting. The change proposed will prevent the further use of these firearms and it will cause a substantial loss to the present owners because they can no longer use them for hunting. The provision is therefore strongly opposed. As to the makes and models to which I refer and their numbers, I have some further information if it is of interest to the committee.

At page 18:16 the committee report indicates Mr. Nicholson referring to various rifles. He spoke about the Armalite AR180, sporter carbine, 18¼-inch barrel; the Rouger Mini 14, .223 calibre, 18-3/8—inch barrel; the Universal 1,000 auto-loading carbine, 18-inch barrel; the Plainfield carbine, .223 calibre, 18-inch barrel; the Hand R ultra-carbine, various calibres, 18-inch barrel; and the Savage auto-loading carbine, .22 rimfire, 16.5-inch barrel. He continued by saying, "I could go on; I have another half dozen."

There are numerous guns with barrel lengths that are under the 18½-inches referred to in this subsection. If this subsection is passed, it will mean that many people throughout Canada will have rifles which will immediately become restricted weapons. These people have had these guns in their possession for many years and have used them when partaking in sports and hunting. To bring in this particular clause would have the effect of putting all these people in a position where they are breaking the law, which is not the intention of the legislation. I am advised by the Saskatchewan Wildlife Federation that in many instances people have rifles with barrel lengths slightly over 18½ inches. If they damage the muzzles of those guns, they have to be taken to a gunsmith to be worked on, and they end up with barrels of less than 18½ inches and therefore would fall within this particular section.

The attempts to restrict the use of the M1 carbine can certainly be carried out by subsection (d) on page 4 of Bill C-51, which reads as follows:

—a weapon of any kind, not being a prohibited weapon or a shotgun or rifle of a kind that, in the opinion of the governor in council, is reasonable for use in Canada for hunting or sporting purposes, that is declared by order of the governor in council to be a restricted weapon.

It seems to me that under subsection (d) the governor in council could make the necessary order restricting the weapons it desires to restrict, thus leaving the hunter and the sportsman free to own, possess and use the guns to which I have referred. I am not happy with any legislation, particularly in the Criminal Code, which gives the governor in council the right to pass legislation which is never debated in this House. In this instance, subsection (d) is in the Criminal Code at the present

time and it is adequate for our purposes. Therefore, I would ask that this House support my amendment.

● (1130)

I hope that the governor in council, in making use of subclause (d), will make the necessary arrangements, prior to enacting regulations, to have consultations with the various wildlife organizations and sporting groups so that they are aware of the weapons that are being restricted. I ask that hon. members support my amendment.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I support the amendment of my colleague, the hon. member for Moose Jaw (Mr. Neil). I know a considerable number of people who own carbines. In fact, I have one myself which I received many years ago. I have not measured the barrel, but I suspect it is somewhat less and would probably fall into this category. It is hard to imagine it being more dangerous than any other weapon. In fact, if a weapon is longer than 18½ inches, it could be sawed-off by anyone who wished to use it as a criminal weapon.

As I understand the legislation, the government wants control over the M1 carbine. However, I believe that any weapon should be put into the pre-emptive weapon code by order in council. It should be placed there as a restricted weapon, rather than a blanket provision cutting out all guns that fall under this classification. To outlaw all of these guns is not the best way to approach this problem, particularly when vast numbers are already in the hands of people. This is a popular sporting weapon. Presumably, if you have a gun 19 inches in length, it would fall within the legal category. The carbine is an easy gun for a sportsman to carry. I have found it extremely easy to carry. It is a very popular gun. It is light, and it is good in dense bush.

If a particular weapon is being used extensively by criminals, the best way to deal with that problem would be through subclause (d). I strongly suspect there would then be more co-operation from the sporting groups. This could be publicized through wildlife groups which encompass almost everyone in the sporting field. It would be given wide publicity that it is a prohibited weapon. By taking the public more into its confidence, there would be a better law.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I, too, want to go on record as supporting the amendment of the hon. member for Moose Jaw (Mr. Neil). I have received many representations from constituents regarding the length of the gun barrel. I strongly support the hon. member's argument that in many instances, due to lack of accuracy of guns, one-quarter to one half-inch is taken off at the muzzle. This usually causes some damage at the muzzle. The best way for a gunsmith to repair the damage and the accuracy is to shorten the barrel, probably by less than one inch. That makes it an illegal weapon under this act. In most cases, these guns have been in the hands of the family for years. Immediately placing them on the restricted list will prove a hardship.

This points out the whole scope of this type of regulation or law which the government of Canada tries to bring in that deal with gun control. It is very easy to bring forward such laws, but very difficult to make them do what they are supposed to do. Any law to control guns in Canada must be aimed at the criminal element. This is where the problem usually begins. The Liberal government is trying to bring in some kind of gun control that will control guns in the hands of people whom they believe should not have them. I do not know how they will be able to do that in a responsible manner. Those they are aiming at, people who use guns as weapons for their defence, in anger or other uses, will get these guns, at any rate, in one way or another. I agree with the hon. member for Moose Jaw that trying to control the M1 carbine should be done under subclause (d). It should not be done by taking away from responsible people in Canada something that they have not used in a criminal or irresponsible manner but have kept in good working condition.

When you look at the bill, you see that all the gun control is being done by regulation. It is all done by order in council. That is one reason so many people in Canada are up-tight about this bill. Nothing is really spelled out other than a few areas such as regulating the length of the barrel. I do not think we want to pass laws in this House that will make criminals out of people. It is very honourable to pass laws which attempt to control the criminal element—an element in Canada that needs a lot of control. It is unfortunate that we have them and that they have to be controlled. I do not really believe that we should be making laws that make criminals out of innocent people. I am referring to people who have cut down the length of the barrel of their guns to improve the accuracy of their shooting or to repair a damaged muzzle.

● (1140)

I know that it does not destroy a gun to shorten the length of the barrel but, rather, makes for more accurate shooting. We are talking here about changing a section so as to allow people to make changes to their M1 carbines, and I hope we will not pass this section as it stands, which would make criminals out of innocent people. Some people might not even know that such a law has been passed by the House of Commons in Ottawa and that their rifles are illegal under the new regulations. The barrel of the rifle could have been shortened years ago by someone in the family, and the gun handed down in the family. Suddenly, a regulation is passed in Ottawa and the fact that the gun had been shortened by a quarter of an inch, half an inch, or even one inch, makes the owner a criminal. We know what happens to people who are in trouble with the law.

The people we want to control are those who are deliberately out to break the law, who do not respect the law. There can be a larger number of rifles in the possession of innocent people who will find themselves in contravention of the law as a result of this section of the act. That is the reason I strongly support the amendment of the hon. member for Moose Jaw.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I want to make a comment or two on this clause. I certainly

support the amendment which has been proposed by my colleague. An amazing feature of this legislation is that while the government is generally moving towards a softer attitude with regard to the laws and lesser penalties for illegal activities, we now come face to face with a clause in the bill which, as my colleague, the hon. member for Okanagan Boundary (Mr. Whittaker), has said, makes criminals out of honest citizens and then subjects them to penalties that are in many instances very severe.

So I have a great deal of difficulty in reconciling the various positions taken by this government. I have almost given up trying to reconcile the government's policies because they are so contradictory, so unreasonable, that in many respects one reaches the point of throwing up one's hands and saying, "What is the use? They do not know what they are doing. They do not know how to handle the situation. They let on they have all the answers, and then they turn around and tell us they do not have the answers and ask us for suggestions". Then, when the opposition makes proposals, they reject them out of hand.

The whole thing is a horrible mess so far as this government is concerned. We know that the legislation which was introduced initially stirred up a great deal of resentment across the country, so much so in fact that the government had to bend and the Minister of Justice (Mr. Basford) had to pull in his horns and take another look at the situation. Whoever drafted the legislation did not seem to have any sense or reason. It was so trivial in many respects that it was just a joke. So the government felt it had to remove some of these inconsistencies and absurdities. But we still have this bill before us which will make criminals out of honest, law-abiding citizens who for many years have had certain weapons in their possession and, having found themselves in circumstances where they were out of line a little bit, have been convicted and have had a penalty imposed upon them as a result of these new laws.

It seems to me that the proposition which has been advanced by my colleague is reasonable. He proposes that this matter be dealt with under another section of the act. I think that is perfectly reasonable. Surely, in considering a bill that has stirred up such a great deal of animosity, bitterness and resentment across the country, reason will prevail and the minister will agree to accede to the proposal of my colleague and will accept it.

No matter what amendments we make to the bill, it is a stupid bill—there is no question about that. The problem could be dealt with in other ways. On the basis of reason alone, I believe that an accommodation should be made by the minister and that this amendment should be accepted. Again I say that many aspects of the bill are repugnant because they encroach upon the freedoms and rights which people have enjoyed down through the years. The minister has acknowledged that this will have no effect on the criminal element in the country. I suppose he is looking for more scapegoats and he will turn against the law-abiding citizens of this country. I suggest that he should accept the amendment.

Criminal Code

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I should like to say a few words on this amendment to a clause which has been considered very thoroughly and carefully ever since the introduction of Bill C-83, over a year ago. The question is the limiting in the statute of high-powered, rapid-fire weapons with a barrel length of less than 18½ inches. I think that when we are looking at matters of gun control we have to weigh and to balance the public interest against private interests. As I have said, we considered this matter very carefully with firearm experts in the RCMP and others.

Recently, even subsequent to the bill being reported from committee, I met with Colonel Nicholson of the Canadian Wildlife Federation. He came to me on this issue and pressed his case and the case of those who wanted this amendment. As a result of Colonel Nicholson's further visit, I re-examined the whole situation as late as last Thursday and Friday, and in my view the legislation as proposed should stand.

● (1150)

The purpose of this provision is to restrict rapid-fire, concealable weapons. Obviously, a weapon with a short barrel length is easily concealable under a raincoat or a trench coat if the stock has been sawed off. Police records indicate that a large number of short-barrelled guns are being used for criminal purposes. The M1 was developed during the Second World War as a personnel stopper. The AR-15 was designed and produced for use in the Vietnam war and these guns are now being used widely by criminal elements in the United States and in this country. Therefore, as a matter of public policy it seems to me that we should endeavour to restrict their availability and use in Canada as much as possible.

It would be contrary to the rules, but I wish I could bring into the House the kinds of guns we are talking about. I did show those guns to the Standing Committee on Justice and Legal Affairs, and I think the committee was impressed by what we were talking about.

I met very recently with the Kelowna District Fish and Game Club. I showed its members the kinds of guns we are talking about. Once they knew the kinds of guns involved, they supported this bill and this proposal to restrict semi-automatic, centre-fire rifles of barrel lengths of less than 18½ inches. I have examined gun catalogues. I examined the list Colonel Nicholson produced to the committee. The list submitted included short-barrelled .22s which are not restricted under this provision. It included a number of weapons that by no conceivable definition could be considered hunting weapons. The Plainfield Machine Company carbine has a collapsible stock. It was designed as a military weapon and it is ideal for criminal purposes, but quite unsuitable for sporting purposes. If hon. members were able to see pictures of such weapons, let alone the guns themselves, I think they would readily agree that these really have no proper public use in this country.

With regard to the aspect of hunting, I point out to hon. members that last month in Saskatoon there was a meeting of the association of provincial hunter-safety training co-ordinators. This association is composed of provincial officers who

operate within the ministries of natural resources and tourism or their counterparts in each of the provinces, and those officers are responsible for the development of gun safety programs and their operations in the provinces.

It was the unanimous view of the provincial administrators of gun safety programs that this type of provision should be in the law and that it should be supported. I refer to the restriction of less than 18½-inch, rapid-fire or semi-automatic centre-fire weapons. I suggest that there is no proper hunting use for these guns. That was the view of the provincial administrators. Many of these guns are of low calibre and would wound more deer than they would ever kill. Some of them are quite inaccurate in terms of target. They are not good shooting weapons. I could bring before the House a stack of textbooks on rifles and guns indicating that these particular weapons serve no useful hunting purpose.

I want to make it clear that for sporting purposes the present owners of these guns will be able to register them and use them for sporting purposes, that is, for target purposes as part of the regular activities of game clubs. However, when we consider the fact that these weapons are not suitable hunting weapons, and when we consider that they are widely used for criminal purposes and are ideal for criminal purposes, I think we should resist this amendment and implement this provision in the bill.

Hon. members have suggested that we should do this by regulation, but I resist that. Some have criticized this bill by saying it has too many regulations, but in the committee I think we were able to show that the regulatory power under this bill is much more restricted than it was in Bill C-83. The problem with accepting the suggestion of the hon. member from the Okanagan would be that the governor in council would be restricting specific types and names of rifles, and in a very short time neither gun dealers, gun owners, nor the police would know which guns are restricted and which are not.

The demand over the last year has been that there be as great a degree of certainty as possible so that gun owners, gun dealers and the police will know what is legal and what is not, what is restricted and what is not, and what is prohibited and what is not. If we were to accept the suggestions of the hon. member and deal with short-barrelled guns by way of regulation, I submit that in a very short time there would be very great confusion as to which guns were restricted and which guns were not. I do not think gun owners or the police want that result, and I submit that on reflection hon. members would not want it either.

Mr. Neil: Mr. Speaker, I wonder if the minister would accept a question.

Mr. Basford: Yes, Mr. Speaker.

Mr. Neil: The minister is probably aware that the Canadian Wildlife Federation and the Saskatchewan Wildlife Federation are opposed to this amendment because it would result in many thousands of people having in their possession restricted weapons after this bill is passed. Does the minister have any statistics to indicate how many of these weapons have been used in the commission of crimes? I am not talking about professional criminals.

Mr. Basford: Mr. Speaker, I do not have that statistic here in the House. I am advised that they are widely used by criminals in this country and in the United States, but I do not have the statistics to cover that point. One need only recall the picture which appeared in the international press of Patty Hearst robbing the bank—it was probably the most photographed robbery in the world—and she was using a weapon of this type.

• (1200)

Mr. Neil: Mr. Speaker, I wonder if the minister would admit that regardless of any regulation or prohibition, the professional criminal will always be able to get handguns, rifles and weapons of any kind?

Mr. Basford: Mr. Speaker, to a certain extent I have always conceded that, but I have also said that the more a law is certain, and the more the police can be certain what is restricted and what is not, then if they come across a criminal who is not committing a crime but is in possession of a weapon, they are better able to deal with the situation on the spot. It is also easier for customs officials to deal with shipments, and it is easier for gun dealers to know what they can import and sell than when there is a lack of certainty. If this amendment were accepted and the weapons were restricted by powers of regulation, there would be uncertainty for customs officers, dealers and gun owners.

Mr. Brisco: Mr. Speaker, I should like to direct a question to the minister. In his response to the hon. member for Moose Jaw (Mr. Neil), the minister referred to semi-automatic weapons. When he referred to the statistics available regarding the number of sawed-off weapons, I wonder if he was talking about such weapons as the AR-15, a type of semi-automatic weapon, or whether he was putting the emphasis on sawed-off hunting rifles and sawed-off shotguns of the Lupara variety. Is he putting emphasis on the sawed-off shotgun, rifle or semi-automatic weapon?

Mr. Basford: Mr. Speaker, the amendment is clear: it is aimed at short-barrelled, semi-automatic, centre-fire rifles.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on motion No. 1 in the name of the hon. member for Moose Jaw (Mr. Neil). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to Standing Order 75(11), the recorded division on the motion stands deferred. It is my understanding that motions Nos. 7, 12 and 14 were to be debated, but that this has been changed and motions Nos. 7 and 28 will be debated now and that a vote on motion No. 7 will dispose of motion No. 28. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed, and so ordered.

Mr. Eldon M. Woolliams (Calgary North) moved:

Motion No. 7.

That Bill C-51, an act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be amended in clause 3 by striking out lines 41 to 44 at page 9 and substituting the following therefor:

"(*b*) a peace officer or public officer"—

Mr. Eldon M. Woolliams (Calgary North) moved:

Motion No. 28.

That Bill C-51, an act to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, be amended in clause 3 by adding immediately after line 33 at page 43 the following:

"(2) Every order in council, regulation or form made under this act shall be laid before parliament within fifteen days after the order in council, regulation or form, as the case may be, is made or, if parliament is not then in session, within fifteen days after the commencement of the next ensuing session thereof and every order in council, regulation, or form shall be subject to affirmative resolution of parliament and shall not come into force until published in the Canada *Gazette*."

He said: Mr. Speaker, it is correct that motions Nos. 7 and 28 will be discussed together. These deal with the question of legislating criminal law by order in council. In reply to the hon. member for Moose Jaw (Mr. Neil), the Minister of Justice (Mr. Basford) claimed that Bill C-51 is better than three bills because there are fewer orders in council. His argument, apparently, is that if Bill C-83 proposes 1,000 new laws by order in council, and Bill C-51 proposes only about 100, it is therefore better. When dealing with criminal law, Mr. Speaker, I say it is wrong to legislate by order in council. I know that in most legislation it is necessary to provide for orders in council in relation to administrative matters, but criminal law should be precise and concise so that people know what it is. This government has exhibited a growing tendency to extend the power of the executive over parliament.

On May 11 this year I pointed out that in 1976, 3,326 orders in council were passed, but only 653 were published in the Canada *Gazette*. How can we possibly know we are breaking the law if we do not know what it is—if it never gets published? Clause 3 of the bill provides for the appointment of peace officers and public officers to perform certain duties by order in council. That is the casual group. I suggest that is wrong, and motion No. 7 would amend clause 3 by striking out lines 42 to 44. The relevant part of motion No. 28 reads:

—order in council, regulation or form, as the case may be, is made or, if parliament is not then in session, within fifteen days after the commencement of the next ensuing session thereof and every order in council, regulation or form shall be subject to affirmative resolution of Parliament and shall not come into force until published in the Canada *Gazette*.

After days and days of debate on Bill C-83, I asked the minister and the former solicitor general if they would agree to a similar amendment. They agreed to the amendment in substance, but it died on the order paper. There is a tendency in this government today, which makes people uneasy, to do everything in cabinet and bypass parliament. When dealing with the Criminal Code, surely the law should be legislated in a precise and concise manner.

Mr. Speaker, I want to put something on the record that has always impressed me. I have not been a great student of political science, but I should like to refer to a quotation of the late William Lyon Mackenzie King when he sat in opposition to the Conservative government led by the late R. B. Bennett. On one occasion he said:

● (1210)

Now let us come to another point which I wish particularly to stress. I refer to the right set out in Magna Carta that no man shall be disposed of his rights without the lawful judgment of his peers under the law of the land; not the law as made by the governor in council, not the law as made by some unnamed and as yet unexisting body, but the law of the land as known to everyone. It is an essential principle of liberty and freedom that the law of the land should be known, that it should be so known that every man as he runs may read. The law should not be something which is to make its appearance in the Canada *Gazette* after some board or governor in council, not parliament, has passed a regulation; it is something that should appear in the statutes of the country.

It is too bad Mackenzie King is not here, and too bad his ghost does not walk Parliament Hill.

An hon. Member: How do you know it doesn't?

Mr. Woolliams: I have heard his ghost walks somewhere.

Mr. Knowles (Winnipeg North Centre): Where have you been? Haven't you seen it?

Mr. Dionne (Northumberland-Miramichi): We already have too many ghosts around here.

Mr. Woolliams: My hon. friends opposite are excited. They wouldn't like to meet Mackenzie King.

Mr. Stanfield: Or his ghost.

Mr. Woolliams: They know what they are doing, giving power to the executive to bypass parliament. People talk of Trudeaumania. They should call it Trudeauphobia, because power is the name of the game. The party opposite is power hungry. As Mackenzie King said, all should know the law of the land. It should not be made by some unnamed or non-existent body. Mr. Speaker, since the Trudeau government took office we have had several solicitors general. They change, and as new men take on the job they change the law secretly, at night, while Canadians sleep.

Mr. Paproski: They change it from crisis to crisis.

Mr. Woolliams: That is correct. As Mackenzie King said, it is an essential principle of liberty and freedom that the law of the land should be known. We are entitled to know the law. The minister said the police must know what weapons are prohibited. I would be far happier if ordinary people knew what weapons are prohibited or restricted. On Monday, I am perfectly entitled to go hunting with my gun. Its possession and use is legal. On Tuesday, its possession and use is illegal. Why? Some unknown body has passed a law in the middle of the night, as it were—and the government would allow this. The hon. member for Peace River (Mr. Baldwin) has established his image across the country as a crusader for freedom of information. We are proud of his image and hope his crusade succeeds. I hope the government was making sincere proposals in the Speech from the Throne and will introduce legislation along the lines suggested by that crusader from Peace River.

Mr. Brisco: More than likely it was a put-on.

Mr. Woolliams: I hope it was more than that. If ever an amendment to a bill deserves the support of parliament, it is this one—because the government has a majority: it thinks it can do as it wants. Mr. Speaker, all governments come and go, but the principle of the rule of law remains. I say, inasmuch as 3,300 orders in council were passed, but only 600 published, Canada is in a sorry state. My remarks apply not only to this bill; they apply also to the human rights bill, the immigration bill, and others. This House grinds out bills like a legislative mill. In this case, parliament is erecting the frame of the House, but the executive will put on the siding and roof.

Parliament will legislate power for the executive to make laws while Canadians sleep. Mr. Speaker, we are dealing with a serious subject, the criminal law affecting the rights and liberties of the individual. I never thought I would see the day when a provincial legislator would be jailed for his refusal to divulge information. That was shocking. You cannot do your job without information. Sometimes you must get it surreptitiously because you cannot pry it out of this government. What happened to that legislation could happen to any Canadian on the strength of an order in council passed in secret.

I expect the hon. member for Winnipeg North Centre (Mr. Knowles) remembers the time when this House debated a spy inquiry which involved certain civil servants. It was alleged that there was no law to cover the matter, and the minister of justice of the day passed an order in council whereby people were incarcerated. Lights in their cells were left burning. That minister said it was an emergency and passed the order in council. Surely there is no emergency so great that we can put in jeopardy the rights and freedom of the individual, as certain dictators in Europe did. You cannot put them in jeopardy by passing an order in council. Therein lies the great danger of this bill.

I want parliament to debate such orders in council; to examine them. That is why I propose my amendments. The first of them concerns the appointment of peace officers by order in council. Perhaps the point is not too serious, although the Casal group appearing before the committee wanted that provision changed. I ask hon. members to support motion No. 28 which will provide for orders in council relating to the criminal law to be brought before parliament.

Before I sit down, let me make one more point. Many people wrote to the chairman of our committee and to me asking for the opportunity to testify on this bill. I do not know why there was such a great rush in pushing this bill through committee. Sometimes we sat from early morning to late at night, but most people were denied the opportunity to testify. The Committee heard several small groups. The Advocate Society of Upper Canada, including benchers of Ontario, appeared before the committee. We listened to Messrs. Chappell, Cartwright and Cooper, distinguished scholars all from Toronto. They warned the government of the consequences of amending the criminal law as the bill proposes. I shall have more to say later about the invasion of privacy provisions, which are a disgrace. I am asking parliament, in a non-partisan way, to examine seriously how the government intends to enact criminal law by order in council passed by some unnamed body or unnamed person perhaps some time in future. It may be my lot to be that person, but I do not want that responsibility. I want Canadians to know where they stand. I want our law-abiding citizens to be protected by the law and to know the law. Because if they do not know the law, how do they know they are breaking it?

I will say no more lest I should undo my own case—which has happened in the past. I think my case is strong; I have tried to make it sincerely and intelligently. As a practising member of the Saskatchewan and the Alberta bars of 30 years standing, and as a trial lawyer, I know how these things work. I have defended people charged with contravening the wartime prices and trade regulations at a time when orders in council were ground out by the thousand and nobody could be certain of the law. People were brought before the bar of justice and tried for offences that nobody knew existed. That is why the learned judges saw fit to require that before a conviction was possible, the order in council concerned must be filed as part of the evidence. I ask the minister to reconsider and repent in reference to this matter.

● (1220)

Hon. Ron Basford (Minister of Justice): Perhaps I might take a few moments in which to deal with both these proposed amendments. The first is motion No. 7 which would change the meaning of "peace officer". The definition in the bill was put there at the expressed request of a number of provincial attorneys general who wished to restrict the general Criminal Code meaning of "peace officer" which includes deputy sheriffs, justices of the peace and others. Under the Criminal Code as it currently reads, provincial attorneys general have no authority to limit the ability of these people to carry side-arms. I am responding to the expressed request of a number of attorneys general in the amendment I am proposing. After all, they are the chief law enforcement officers in

their provinces, and I believe it is incumbent upon this House to take their representations into account. The amendment of the hon. member for Calgary North (Mr. Woolliams) would go contrary to the expressed request of the provincial attorneys general.

With regard to motion No. 28, the one which I believe the hon. member regards as being more important, I would say, first of all, that is was moved in committee and debated there and that the hon. member for Calgary North could not carry even his own members on that one. For example, there was disagreement on the part of the distinguished co-chairman of the standing committee on statutory instruments. As hon. members know, all regulations passed by the governor in council stands permanently referred to the committee on statutory instruments for examination. That committee published an excellent report some time ago calling attention to improvements which should be made in the process of delegating legislation, its examination, and so on. Some of those recommendations have been accepted and the government is working on others. However, the responsibility for dealing with this matter lies, surely, with the statutory instruments committee, and our attention should be directed toward improving the processes followed in the examination and supervision of statutory instruments.

I must resist this amendment as a matter of principle. It was on this ground that it was not supported in the committee by the co-chairman of the statutory instruments committee. It would require that every order in council not only be laid before the House—I do not think there would be any great objection to that—but that it should be the subject of an affirmative resolution. I take this to mean that every order in council passed under the Criminal Code would have to be debated in the House. I see an hon. member shaking his head. He had better read the amendment carefully, because that is what it provides. This is a process of supervising regulations which has not even been suggested by the statutory instruments committee, a body which has a very deep and conscientious interest in this matter.

Mr. Woolliams: May I rise on a question of privilege? I know the Minister of Justice has not done this deliberately, but he has misquoted me. I said, "Every order in council made under this act", meaning Bill C-51, the amendments to the Criminal Code. I was not dealing with the regulations made under all statutes. I would ask the minister to make that point clear.

Mr. Basford: I am sorry. I was not trying to mislead the House. I meant to say, "under the Criminal Code", and I thought I had done so. In drawing up Bill C-51 we were conscious of the criticism which had been raised to the effect that there were too many areas covered by regulation. I believe that any impartial examiner of Bill C-51 would agree with me now that we have markedly reduced the areas of regulation and that the bulk of the regulations to be passed will relate to dealers and manufacturers. As I explained in committee, it is proposed to appoint chief provincial fire-arms officers who would become part of a national advisory committee to which would be attached representatives of the dealers and the gun sports. I have undertaken expressly to consult with this committee on the drawing up and making of the regulations. This, in my view, is an effective way of dealing with the matter. It would seem to me that these arrangements, together with the safeguards provided by the normal processes of the statutory instruments committee, are sufficient to meet the hon. member's objections. Provision is made for input into regulation-making by those interested in gun sports and in the sale of guns, while the work of the statutory instruments committee ensures that the Bill of Rights applies to all these regulations, together with some 18 other considerations which the committee takes into account.

I indicated last week that most of the regulatory power relates to dealers. We have already consulted the Retail Merchants Association, the Transport Association, the Association of Hardware Merchants, and others concerned with those parts of the bill which will be affected by regulation. They have indicated no objection to the provisions of this bill and appear to be satisfied with my undertaking as to the nature of the consultative process to be engaged in. If there is concern about regulatory powers generally, it should be expressed in the debate on the report which the statutory instruments committee published some time ago, and efforts should be made to ensure that the processes followed by that committee are as satisfactory as possible.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the Minister of Justice (Mr. Basford) says he resists these amendments. Well, he resists all amendments or requirements of a nature calculated to restrict the severity of legislation. I do not say this of him personally. It is an attitude he takes in his official capacity. He tells us that the provincial attorneys general have been consulted and have made suggestions. I agree there should be consultation with the attorneys general and that consideration should be given to their points of view. But in some ways they are interested parties, and in the final analysis what has to be taken into account are the views of members of this House. Theoretically, we should be involved. As I recall it, the opening words of the statute are, "Her Majesty, by and with the advice and consent of the Senate and the House of Commons"—not, "Her Majesty by and with the advice and consent of the attorneys general of the provinces of Canada".

• (1230)

The minister made a very reasonable attempt to rebut the proposition advanced by my eloquent and learned friend from Calgary North (Mr. Woolliams). He said that this is just a little entry that we are making, through the use of orders in council, regulations and delegated authority, to the criminal law. But it is from these little things, Mr. Speaker, that great ones grow. My reading of history tells me that during the First World War an act was brought in known as the Temporary War Income Tax Act. That has grown into one of the greatest monsters with the capacity to eat up so much of the economy of this country. The Temporary War Income Tax Act of 1914

or 1915 has become something which today probably not more than a dozen people in Canada readily understand.

This small beginning, this small entry to the Criminal Code through the use of orders in council and regulations which the Minister of Justice talks about, would, I suggest, if allowed to go unchecked, ten years from now amount to something which, as my hon. friend from Calgary North said, would mean we are legislating by order in council and by delegated authority a large part of our criminal law. As a matter of fact, with the powers the government now has in using governor general's warrants, orders in council, the War Measures Act if necessary, the Anti-Inflation Board, this parliament would not need to meet at all were it not for the fact that the constitution says parliament has to meet. So I am concerned about this trend.

Having said that, I suggest to the Minister of Justice that he examine the recent testimony which was given in the last two or three days by Sir Robert Speed, the very learned, eloquent and able member of what I might call the establishment of the House of Commons at Westminster, who has had great experience of this whole question of orders in council. The Minister of Justice will be derelict in his duty if he does not read that evidence in the very near future. I see the minister is not listening to me, so I will just continue my remarks and put them on record.

I had the pleasure of meeting Sir Robert Speed some ten years ago when this whole process of statutory instruments was being initiated here. I met him following discussions with the then Prime Minister, the late Mr. Pearson, having had an indication that Mr. Pearson was at least willing to consider some amendments to the statute law of this land to permit the House to take cognizance of the serious problem created by the undue use of orders in council. I was present at two or three meetings of the scrutiny committee in the United Kingdom and observed the very reasonable way in which they dealt with this whole question.

There had developed in the bureaucracy in the United Kingdom an equally reasonable response; in a great many instances all that was necessary was for Sir Robert Speed, who was counsel to the scrutiny committee, to pick up the telephone and to say, "Look, Mr. Parliamentary Secretary, I have just seen a number of orders in council that you are proposing to pass, and I want to point out some mistakes in them." For example, they had an unusual or unexpected impact, or were contrary to natural justice, or they had a retroactive effect, or they were not consistent with the enabling powers in the statute. In 90 per cent of the cases, after reasonable discussion those orders in council were brought into conformity with the enabling statute. When the scrutiny committee of the House of Commons—which is now a joint committee, by the way—was advised of the real facts, an arrangement was made.

I was also very fascinated by what Sir Robert Speed told us just two days ago, namely, that in most instances the right to enact orders in council for subordinate legislative purposes is usually accompanied by the introduction into the bill of the negative or affirmative resolution principle. The Minister of Justice knows that this proposal is contained in the second report of the statutory instruments committee, and I think it would have a very salutary effect. Indeed, the House is indebted to the hon. member for Calgary North for putting forward this idea at the present time.

Our distinguished visitor from Britain also mentioned that in the majority of cases, I think he said, statutory instruments are subject either to an affirmative or a negative resolution. Consequently, a great deal more care is taken by those who draft orders in council to ensure that they meet the purposes which the act designated for them, that they are consistent with the principles of natural justice, and that they do not give greater authority to the executive and the bureaucrats than they should.

After all, Mr. Speaker, if a bureaucrat who is designated to draft an order in council under a statute is aware that within two or three months the order in council would be subject to very searching scrutiny by men and women of the House of Commons and House of Lords who have been engaged upon the task for some time, he will attempt to see to it that the order in council meets the proper criteria. Because of this, counsel for Mr. Speaker in the United Kingdom told us there are fewer and fewer cases of statutory instruments being made subject to motions to set them aside or change them—what they call in England "prayers".

This is all my hon. friend from Calgary North is asking. Since the government is determined to incorporate into the criminal law the right to change, alter or add criminal law by means of order in council, then for heaven's sake this essential safeguard must be included in the law so that a committee of the House of Commons and the Senate have the right to scrutinize the order in council before it becomes law by way of an affirmative resolution of the House.

There are a number of cases where it would be exceedingly dangerous to change the criminal law before a committee of the House, and then finally parliament itself, had been given the chance to express approval or disapproval. This parliament has never shown itself to be unnecessarily vigilant in this regard, but as a member of parliament and as a member of the bar for many years I would be most unhappy about giving public servants of any government the right to make substantive law or to vary law having to do with criminal proceedings by order in council unless that process were first checked either by committee or by the House.

● (1240)

The minister should take the time to read the evidence which was presented before the Standing Committee on Regulations and Other Statutory Instruments last week. He should examine also what Sir Robert Speed said as to the practice, situation and circumstances in England. Surely we would be foolish not to follow the course adopted there, particularly when one considers the number of years this subject has been dealt with in England.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise in support of the amendment before us. I have a couple of

questions which perhaps could be answered by the mover. The proposed amendment makes a great deal of sense, particularly in terms of using orders in council in the criminal law. One of my reservations is that under the question of declaring a weapon prohibited there may be some emergency if there is a sudden proliferation of that particular weapon in the country. That may be something of an ongoing danger. But that problem can be cured by the passage of the order in council, publication in the Canada *Gazette*, which would make it law at that point, and then the submission of the order in council to parliament. My only reservation with regard to the proposal of the hon. member for Calgary North (Mr. Woolliams) is with respect to an emergency situation. But that is curable under the terms of the wording itself. The principle he and other hon. members have put forward, of not allowing the government to change the law without parliamentary review, is fundamental to the system under which we live. This amendment is so important to that particular system that I can speak on behalf of my entire party by saying that we wholeheartedly support the change proposed by the hon. member for Calgary North.

Operating in a majority position, the government feels it can do anything with regard to the law. The more order in council provisions we put into the law, the less democracy there will be in this country. We represent ordinary people and not people who have access to the law, and we should have the opportunity of reviewing these orders in council and regulations in this place in order to provide a check on that matter.

As I have said, I have a minor reservation about the problem of an emergency situation with a dangerous weapon proliferating in the country. But within the reading of motion No. 28, the hon. member for Calgary North has answered that reservation. The order in council could pass and still be placed before this House in order for us to solve the problem and to have the kind of review which is necessary. I am happy to rise in support of this most excellent amendment.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, there have been occasions in the past when I have reflected on why we as a family have had occasion to retain the services of the hon. member for Calgary North (Mr. Woolliams) in his private capacity.

Mr. Leggatt: How much did he charge?

Mr. Brisco: Having listened to the hon. member today, I am thoroughly convinced that I made the right decision. Fortunately, it has never been a case of criminal law. However, there are some areas in this debate upon which I should like to comment. As a backbencher, I am concerned that a senior statesman of this parliament, the hon. member for Peace River (Mr. Baldwin), would stand and speak on a matter which has given him a great deal of agony and concern. Above all others, he has become an expert in this field. Hon. members of this House who paid close attention to his remarks were backbenchers. It is unfortunate the minister is so occupied with this bill. He may speak next week after having read *Hansard*, particularly the comments of the hon. member for Peace River. In any event, it is disturbing that the minister did not concentrate on the statements made by the hon. member for Peace River.

There is provision in this bill to determine a class of peace officer or public officer prescribed by the regulations. I am not concerned only with the fact that it is by regulation; I am concerned with one person's, department's or province's interpretation of a public officer as opposed to another. The criteria may not be the same as far as the standard and quality required, the intelligence, balance and reason needed by someone who is given the responsibility of that role. Added to that is the opportunity to carry a sidearm which may not be uniform across this country.

When I was a student working my way through college, I had an opportunity to be employed by a detective agency, the name of which I will leave unmentioned. I was given a job at a meat-packing plant in Toronto where there had been a continuing series of thefts. I was provided with a .38 revolver. I never went down to the RCMP; I never filled out any application form, other than the one presented to me by the manager of the detective agency. I was handed a .38 revolver, with ammunition, and I was supposed to use it if the situation arose. Frankly, the situation did arise, but fortunately not on my shift. Some other fellow, who had been similarly provided with a .38 revolver, was faced with the confrontation of a thief crawling through a window of this meat-packing plant. Fortunately, he pointed the gun and scared the thief and that was the end of that particular sojourn. I wonder what would have happened if I had been the one who had to assume that role, not even knowing how to aim or fire at that stage in my life.

Mr. Leggatt: If he had been a Liberal, you would have shot him.

Mr. Brisco: Probably.

Mr. Dionne (Northumberland-Miramichi): Either that or you would have turned and ran away.

Mr. Brisco: I am not indicating my favour of this entire bill—but it was very easy for me, as a university student, during the course of my employment to acquire the right to have a .38 revolver in my possession.

● (1250)

The purpose of this bill is to tighten up gun control in order to remove those particular loose areas. Two years ago I had the opportunity to urge two of my constituents to lay charges against a big-game hunter or outfitter in northern British Columbia who had harassed them. He had pointed a pistol at them and intimidated them. The minister has made much to do about his concern for gun control. That was two years ago. Two months ago they finally appeared in court for the last time. These two, hard-pressed constituents were flown repeatedly from Castlegar to Fort Nelson to appear in court, denied the opportunity of their own employment, losing money. They were making no money from the Crown in this little escapade; they were simply fulfilling their responsibility as they saw it.

The charges were read out in court. The man was charged with two things in this instance, possession of an unlicensed pistol in his possession in other than his dwelling place. He pleaded guilty on the first count. On the second count he said, "My hunting territory is my dwelling place."

The judge did not accept that and charged him with being guilty on both counts. That is a pretty fair assumption. He then proceeded to lecture and admonish the person appearing before him, and concluded by dismissing the case. There was not one dime in terms of a fine. If that is the kind of control we are going to have with the implementation of this bill, it is going to fall flat on its can.

I have asked the minister to indicate to this House how many times there have been prosecutions on the basis of charges of carrying unlicensed weapons, revolvers, or what have you, in the commission of a crime. I asked that question months ago. The minister has not yet responded. Provision is there not only in this bill but in previous ones. However, the provisions have not been carried out as the Canadian people, who want a little order and justice in this country, perceive them to be.

Coming to government secrecy and the eloquent arguments of the hon. member for Calgary North (Mr. Woolliams), I am reminded of a statement made yesterday by the Secretary of State (Mr. Roberts) and the document that he tabled in the House. All it says is that we are going to have to slacken off a little bit on government secrecy. It indicates that that little bit is damn little.

The minister is concerned about the standing committee on statutory instruments. He feels that the hon. member for Calgary North is going to create some problems. Having listened to the minister, I feel that if we follow the minister's suggestion it will obfuscate that particular committee. The hon. member for Calgary North indicated that while Canadians sleep, this all-powerful government which seeks to be more powerful drafts orders in council that in a majority of cases never appear in the Canada *Gazette*. For that matter, who reads the Canada *Gazette*? Once it is there it is supposed to be engraved in stone, and everybody knows about it.

I recall, in a different context, the Prime Minister (Mr. Trudeau) talking about trade and international dealings with the United States. He remarked that the United States was like an elephant and that Canada was like a mouse; that we were subject to the rumblings and twitchings of that, I will not say monster, but mighty beast. I would like to put that analogy in a different context. The Canadian people may well be the mighty beast. If we continue down the trail that this government is leading this country, that mighty beast is going to twitch once more. Indeed, it may well roll over and crush this government by regulation. That would be the best thing that could ever happen to this government.

Mr. Neil: In view of the time, Mr. Speaker, I wonder if I might call it one o'clock.

[Mr. Brisco.]

The Acting Speaker (Mr. Turner): It being one o'clock, I do now leave the chair until two o'clock p.m.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

REQUEST FOR RETURN OF VESSEL TO ARGENTIA-NORTH SYDNEY SERVICE—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the CN ferry *William Carson* sank during the first week of June off Labrador and that the government still has not purchased or chartered a replacement and the fact that a vessel has been moved from the Argentia-North Sydney run to replace the *Carson*, interfering with the movement of thousands of tourists and passengers and seriously affecting the already weak local economy in the Placentia area as well as the shipment of cargoes of fish from Newfoundland by reefer truck to the mainland, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That this House censure the cabinet minister representing Newfoundland, the Secretary of State for External Affairs, for permitting interference with the Argentia-North Sydney ferry system and the weakening of the economy of the depressed Placentia area and directs the minister to cease discriminating against areas of Newfoundland outside his own district and the Minister of Transport to act immediately to return the vessel purloined from the Argentia-North Sydney run to that service.

Mr. Speaker: Order, please, does such a motion have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

ALLEGED GOVERNMENT INTERFERENCE WITH BROADCASTING PROGRAMMING—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the statement of the press spokesman for the Secretary of State that a "nice" telex was drafted to the President of the CTV network asking that they join the national grid for the CBC TV's July 1

variety show, and in view of the statement by the president of CTV that he regularly gets calls from the Prime Minister's office "requesting us to carry the Prime Minister's speeches", and having regard to the fact that television is highly regulated by the federal government, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House deplores the continuing tendency of the government to influence broadcasting programming in Canada and promote the Prime Minister as the head of state.

Mr. Speaker: Such a motion can be debated only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

PROPOSED REFERENCE OF MANAGEMENT-EMPLOYEE RELATIONS TO COMMITTEE—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a matter of pressing necessity under the terms of Standing Order 43. In view of the fact that existing contracts with postal unions expire today and negotiations are proceeding positively with all unions except the CUPW, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the growing impasse between the CUPW and the Post Office management be resolved by referring the matter to a parliamentary committee with power to travel and hear representations for the purpose of bringing in a report with recommendations that will assure the Canadian people of the quality of postal service essential to the wellbeing of the Canadian economy and community.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

SUGGESTED ESTABLISHMENT OF PENSION RIGHTS FOR HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the urgency of the motion which I wish to present grows greater month by month. I ask leave to move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House urges the government to bring in legislation that will establish pension rights for all homemaker spouses equivalent to the rights of those employed outside the home, and that the government commit itself to the taking of this action before the end of 1977.

Mr. Speaker: Pursuant to Standing Order 43 the presentation for debate of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

PROPOSED INVESTIGATION OF USE OF DRUGS BY ATHLETES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. In view of a growing number of allegations that drug use in sports ranging from junior hockey to professional football is rampant and worsening, thereby not only affecting the long range health of individuals but, more importantly, influencing adversely the youth of our nation, and because Mr. André McNicoll, a former director of the Canadian Foundation of Alcohol and Drug Dependencies, funded by the federal Department of National Health and Welfare, was fired from his job for warning the management of two CFL teams, namely the Ottawa Rough Riders and the Toronto Argonauts, against allowing and, indeed, encouraging their players to use excessively such stimulants as speed and other drugs causing potential serious health implications, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House direct the Minister of State (Fitness and Amateur Sport) along with the Minister of National Health and Welfare to investigate the extensive use of drugs in sports in order that appropriate and effective steps may be taken to rectify this serious, damaging and influential practice within the sports world in Canada.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ANTI-INFLATION BOARD

SUGGESTION BOARD CEASE PUBLISHING NAMES OF OFFENDERS UNLESS CAREFULLY CHECKED—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in view of the damage done to the good name of Dr. Helmut G. Koch, Director of the Abelard Chiropractic Clinic in Edmonton, by the published announcement of the Anti-Inflation Board that Dr. Koch had not complied with certain instructions and in view of the later admission by the Anti-Inflation Board that the error was found inside its own office, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

Dominion Day

That the government issue a public apology for the injury done to Dr. Koch and instruct the Anti-Inflation Board to stop publishing the names of so-called offenders without the most rigorous checking of all internal systems.

Mr. Speaker: Pursuant to Standing Order 43 the presentation for debate of such a motion can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONFLICT OF INTEREST

SENATOR DAVEY'S RELATIONSHIP WITH BLUE WATER RACING ASSOCIATION—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity relating to the press conference statement by the Prime Minister (Mr. Trudeau) yesterday that Senator Davey has no special responsibility beyond the ordinary to avoid conflict of interest. I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That in the opinion of this House Liberal Party campaign director Senator Keith Davey carries, by virtue of his position as Senator and chairman of the Liberal campaign committee, considerable obvious influence; further, that this House considers his status to be that of an official as the term applies in section 110 of the Criminal Code of Canada; and finally, that this House condemns his admitted approaches to the Department of Agriculture for appointments for his questionable Blue Water Racing Company cronies.

● (1410)

Mr. Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

DOMINION DAY

PROPOSED PARTICIPATION OF LEADERS OF POLITICAL PARTIES IN CELEBRATIONS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity. In view of the fact that tomorrow is the 110th birthday of Canada and in recognition of the fact that the true spirit of unity can only be demonstrated by the participation of all political leaders of Canada's national parties, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Prime Minister and the Secretary of State take an immediate 11th hour decision to ensure that all party leaders be invited to participate in the Dominion Day celebrations on Parliament Hill and thus demonstrate their love and pride of our nation to all Canadians.

Mr. Speaker: Order, please. Presentation of such a motion for debate can be done only pursuant to Standing Order 43 with the unanimous consent of the House. Is there unanimous consent?

[Mr. Roche.]

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER IAN CARRUTHERS NAME ON EXTRAPARLIAMENTARY OPPOSITION LIST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Solicitor General touching upon his answer in the House yesterday that no EPA list was ever drawn up and I should like to quote from that answer. Referring to the government the Solicitor General said:

As far as we are concerned on this side of the House there never has been drawn up the type of list the hon. member refers to, . . .

The minister may think he is playing some tricks with semantics but in fact he is misleading the House of Commons and the Canadian people with that answer. Yesterday I asked the minister a very serious question concerning a public servant by the name of Ian Keith Carruthers whose reputation was smeared five years ago by the former Solicitor General. I guess we have to go back in view of his answer. Was Mr. Carruthers' name or was it not mentioned in a letter sent by the former Solicitor General to various ministers regarding the security risk? Answer yes or no.

Hon. Francis Fox (Solicitor General): Mr. Speaker, the hon. member has referred to my reply of yesterday. Perhaps the Chair would permit me to refer to some comments made on the other side of the House in connection with this so-called list. I believe when the matter was brought up in the House hon. members opposite have talked about an enemies list or blacklist, but it has always been clearly stated from this side of the House that there was not a blacklist or enemies list of any kind drawn up. It was clearly indicated that the type of letter read into the record by a member of the opposition made certain recommendations in a highly confidential manner to a number of ministers requesting simply that some individuals be reinformed on the securities aspect of handling documents containing confidential information. That is the extent of the matter.

As to the rest of the question, I responded yesterday to the effect that if some people in this country have been slandered, libelled or handled badly because their names have been published in the press, they have recourse against the newspapers. I for one wish them well in such court action.

EXISTENCE OF EXTRAPARLIAMENTARY OPPOSITION LIST—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, that is interesting, particularly since the minister is a co-defendant in the court action. I suggest there is a lack of communication between the Prime Minister and the Solicitor General which would account for the misleading of the House yesterday and today, inadvertently or deliberately. Referring to this matter at his press conference yesterday the Prime Minister said:

> All the Solicitor General did at that time was take a list given to him by the police and say, "I have these names. Some of them are working in your department. I feel it is my duty to pass on the information which the police gave me, that is, that these people might be a security risk."

The Prime Minister himself confirmed the existence of the list. Is the Solicitor General now saying that the Prime Minister was misleading the Canadian public when he said there was such a list? In view of what the Prime Minister said, can the hon. gentleman explain which words he would use to describe that letter? Is it a list, a missive, a communication, or an extraparliamentary blacklist? I don't care about the words. The Prime Minister indicated there is such a list. How can the Solicitor General now deny it?

Hon. Francis Fox (Solicitor General): Mr. Speaker, we, on this side of the House, are not in the habit of misleading the Canadian public.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Zap! We will freeze your portfolio.

Mr. Paproski: What about wage and price controls?

Mr. Fox: Mr. Speaker, we, on this side of the House have never mentioned an enemy's list or blacklist. Those are words used exclusively by hon. members opposite. Interestingly, only after this documentation came to the attention of some hon. members opposite was the matter eventually published in the newspapers, and only then did this slanderous action take place. So far as we on this side are concerned, the letter to which the hon. member referred was handled with the utmost discretion, to make sure there would be no attack on the civil liberties of anyone concerned, especially since the only recommendation in my predecesssor's letter was to the effect that certain people ought to be briefed on security procedures within the government. That was the normal way of dealing with that type of problem, in the circumstances.

OPPORTUNITY FOR THOSE ON EXTRAPARLIAMENTARY OPPOSITION LIST TO CLEAR NAMES

Mr. Walter Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. This government has been misleading this country since 1963—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): —and it is continuing to do so on June 30, 1977. If the Solicitor General had honestly tried to answer our questions in the question period to the best of his ability instead of evading them he would not have dodged behind words like blacklist, or any other name. The list is the extraparliamentary opposition list, and he knows full well to what I refer. Armed with that knowledge, will the Solicitor General tell the House if he is reconsidering the position he put before the House yesterday, a position which any person concerned about liberty, equity and justice in this country could not begin to comprehend, and allow those his predecessor accused, and he knows they have been accused, to clear their names and gain the restitution this government ought to hold out to any Canadian?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the hon. member is repeating the question he asked me yesterday, and I believe I answered him fully yesterday. If any damage was done to the reputations of the people involved, it was done by the media when it decided to publish their names. We, on this side of the House, are not the source of information of that kind which got into the hands of the newspapers.

Mr. Baker (Grenville-Carleton): Who started it?

An hon. Member: You did.

Mr. Baker (Grenville-Carleton): Who wrote the letter? Blackmail, apparently, is fine as long as it is secret.

* * *

ROYAL CANADIAN MOUNTED POLICE

SECOND BREAK-IN AT L'AGENCE DE PRESSE LIBRE—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my supplementary question also relates to the Solicitor General's role in security matters. I refer the Solicitor General to the answer given by the Minister of Justice on Monday of this week. That minister said that after the second break-in of the APLQ premises which took place in October, 1973, the Solicitor General of the day, who is now the Minister of Indian Affairs and Northern Development, received a letter protesting against the raid. Is the Solicitor General now in a position to confirm the correctnesss of his colleague's answer and say what action the former Solicitor General took on receipt of that message?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am not clear what the hon. member means by his question. A letter was sent to the then Solicitor General, asking questions about the alleged second break-in. All I can say is that parliament passed an act in 1974 which laid down strict regulations and guidelines governing the use in court of electronic listening devices used in criminal matters. It gave the Solicitor General authority to issue warrants authorizing wiretaps in matters involving this country's national security. I remind the hon. member that before 1974 we had no law

forbidding the use of electronic listening devices. This entire matter was constantly brought to the attention of the members of the justice and legal affairs committee.

● (1420)

This whole matter was brought to the attention of the justice and legal affairs committee. The commissioner of the RCMP appeared before that committee on June 12, 1973 and explained the position of the force in detail. He stated that the number of cases of electronic surveillance carried out by the force in the ten years preceding 1973 was something like 1,912. The situation was brought to the attention of the parliamentary committee of the day, which was chaired by Your Honour, and it was studied by that committee; other members of that committee included three former provincial attorneys general who are presently sitting in this House. They were completely informed of the practice of the RCMP in the period of time preceding the very strict regulation of wiretapping activities which was enacted by parliament in 1974.

Mr. Hnatyshyn: The Solicitor General has indicated that police forces of the country have the right to trespass on private property without the necessity of obtaining authorization.

An hon. Member: Contrary to common law!

Mr. Hnatyshyn: Can he tell us whether or not the RCMP were involved in this second eavesdropping incident and can he confirm that the police were doing so on the instructions of the then solicitor general?

Mr. Fox: I have just explained the practice of the RCMP which was also the practice followed by other police forces in this country prior to the amendments brought in by parliament in 1974 with a view to exercising stricter control over that kind of activity. I have pointed out to the hon. member that there were 1,912 cases of electronic intrusions by the RCMP in that ten-year period and I do not propose to go through the 1,912 cases to indicate who was and who was not the object of electronic intrusions at that time.

The hon. member will surely understand that it has never been the practice of any previous Solicitor General or Minister of Justice to indicate who was or who was not the object of electronic surveillance in the period prior to 1974. After 1974, parliament enacted certain guidelines and imposed certain obligations under which notification has to be given, and those amendments have led to a vastly improved situation compared with that which existed prior to 1974. I believe they have met with the general approval of hon. members.

Mr. Hnatyshyn: It would appear that the Solicitor General did not understand the question I put to him; it is a simple one and even the hon. gentleman should be able to comprehend it. In view of the fact that he has had adequate notice since last Monday, that the Minister of Justice acknowledged the receipt of a letter by the Solicitor General at the time from the APLQ, I am asking specifically what steps the solicitor general at that time took in connection with that inquiry—the hon. gentleman need not tell me the object of the surveillance; we can surmise that ourselves. I want to know what was the role of the solicitor general with respect to matters of security which were brought to his attention, what direction he gave to the RCMP. That is a simple question. I do not want any of this statistical stuff. I am just asking what happened in this case.

[Mr. Fox.]

Mr. Fox: The hon. member has really asked two questions; first, what happened in this case and, second, what was the policy at that time. As to the policy at that time, I would refer him to the proceedings of the House of Commons committee on justice and legal affairs for June 12, 1973. He would see, in reading those proceedings, that the policy of the force was explained in detail. There is even additional information as to how many convictions resulted from those wiretaps.

As to the specific question of the action taken by my predecessor at that time, this matter was brought to his attention and he discussed it to his entire satisfaction with members of the RCMP.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—FUNDING OF ORGANIZATIONS OPPOSED TO PIPELINE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the decision we are expecting from the National Energy Board on Monday and has to do with the role played in those hearings by public interest groups such as the Canadian Wildlife Federation, the Committee for an Independent Canada and Energy Probe. In the course of the Board's deliberations it was decided there would be no funding available for public interest groups, which, of course, limited their capacity to respond to the case in favour of a pipeline. Did the minister, or his government, receive any request from either the Canadian Wildlife Federation or the Committee for an Independent Canada, the Committee for Justice and Liberty or Energy Probe for funding to assist them in presenting information to the National Energy Board? If he did receive such a request, what was the response of the government?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I believe I was asked a similar question before the Standing Committee on National Resources and Public Works and I made clear at the time that, from time to time, representations had been made to me seeking assistance of the kind to which the hon. member has just referred. I pointed out that there was no plan or provision made by my department for assisting such groups. Indeed, the public interest was the very interest behind the formation of the National Energy Board itself.

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF FURTHER REPRESENTATIONS BY INTERESTED GROUPS FOLLOWING BOARD DECISION

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. In the event that the position of the National Energy Board is contrary to the one espoused by the public interest groups I have referred to, does the minister have any plans to allow those particular groups, which have expressed such interest in this subject and represent such a broad cross section of Canadians, to have any further opportunity of presenting their views concerning the decision of the National Energy Board either to the minister himself or to cabinet?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, that is a very "iffy", hypothetical kind of question. The National Energy Board has been holding hearings for a very long period of time. It has been holding them for one reason, namely to determine what was in the public or national interest. We expect their report on Monday; that is the information that I have received. At that time if these public interest groups want to make further representations to the government they are, of course, free to do so.

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF GOVERNMENT GUARANTEE TO CANADIAN ARCTIC GAS

Mr. Stuart Leggatt (New Westminster): A final supplementary question, Mr. Speaker. I should point out to the minister that the public interest groups are five in number whereas the Canadian Arctic Gas consortium had literally hundreds of experts presenting evidence to the board. My question to the minister is this. A key part of the Canadian Arctic Gas application has to do with government guarantees of completion in the event of cost overruns. Has the minister, any of his officials or any representative of the government given any indication to the National Energy Board that a guarantee, on which of course the application of Canadian Arctic Gas is contingent, will be forthcoming?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): To the best of my knowledge, Mr. Speaker, no such undertaking has been given, and for a number of very good reasons. First, no formal application has been made; second, the government is not making any input into the National Energy Board's decision.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CAUSE OF DELAY IN DEVELOPMENT OF SOUTH SHORE OF ST. LAWRENCE—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. With reference to the agreements which were signed last week by the minister himself and Mr. Tremblay, his Quebec counterpart, agreements which provide for projects in the Montreal region and which recognize also that region as a designated area so that it may avail itself of these agreements, and considering that the south shore area is not included in one part of these agreements, could the minister advise the House whether this is due to the fact that the Quebec government submitted no proposition for this region of the province? If so, could the minister also advise the House whether he could come to an understanding with the Minister of Public Works and the Minister of Transport, his colleagues in the ministry, to submit to the Quebec government a project for the development of the south shore area?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed last week we concluded three amendments regarding agreements with the province of Quebec but I do not fully agree with the hon. member that his area will not get any benefits out of it. In fact, the agricultural development agreement provides for some benefits, as do those on forestry and sylviculture. However, there will not be as many benefits as for other areas, particularly the Lower St. Lawrence and the Gaspe peninsula. I agree with the hon. member that we should consider now what must be done in other areas of the province of Quebec, particularly in those he referred to. However, I intend to continue negotiating with the government of Quebec to put forward other special assistance programs respecting certain areas which in recent years did not get as much assistance as they could have. The hon. member knows that the Lower St. Lawrence and the Quebec City areas can rely on my solicitude in this regard, as I proved it up to now.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank the minister for his answer. However, in the second part of my question I insisted on the fact that there is apparently more cooperation on the part of both governments. Considering that the Quebec government did not submit any specific project for the south shore and the eastern areas, my question is the following, and I repeat: Would it be natural for the Minister of Regional Economic Expansion to take the initiative to submit a project for study by the government of the province of Quebec and to sign an agreement if necessary?

Mr. Lessard: As a matter of fact, Mr. Speaker, I indicated to my colleague, Mr. Léonard, that I intended to submit to him in the near future some suggestions concerning the developments or initiatives which could be supported by my department. I intend to communicate this information to him as soon as possible, and we will see afterwards how the province will react. Then, I shall probably make public the developments I will be prepared to support.

● (1430)

[*English*]

Mr. MacKay: Mr. Speaker, my question is for the Minister of Public Works. Until he returns to his seat, perhaps you could recognize one of my colleagues.

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

LEGALITY OF SEIZURE OF DOCUMENTS FROM ROYAL AMERICAN ROAD SHOWS—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Solicitor General. In light of the fact that the Calgary Stampede is known as the greatest show on earth and we have also the Klondike Days in Edmonton—

An hon. Member: What about parliament?

Mr. Woolliams: Well, I am coming to something pretty important.

In light of the fact that there was a seizure made against the Royal American Road Shows—that they took part for many years in the stampede and Klondike Days—and now are not permitted back into Canada, was there any part of that seizure which was illegal? Were documents taken, after they were seized by certain police officers, by another department? What has the minister to say about the decision now in the federal court?

Hon. Francis Fox (Solicitor General): Mr. Speaker, in light of the fact that the whole matter concerning the Royal American Road Shows is presently being investigated by a commission of inquiry set up by the attorney general of Alberta, I am sure all the facts which ought to be dealt with will be brought to light. I have full confidence in that commission which has been set up.

Mr. Woolliams: Seeing that this government, when it comes to the administration of justice, passes it off to the attorneys general of various provinces, I am asking the Solicitor General if the RCMP was involved in the seizure of those documents? Has he had any conversations with top officers of that force? Was there any illegality in reference to the same, as we have heard in questions put by members on this side of the House?

Mr. Fox: Mr. Speaker, there has been a judge appointed by the Attorney General of Alberta who thought the best way of getting to the bottom of the whole matter was to have a full-fledged investigation into the question of the Royal American Road Shows. Obviously, the hon. member for Calgary North does not agree with the position taken by the Attorney General of Alberta. Perhaps he would like to discuss it with him.

Mr. Woolliams: Mr. Speaker, there is no evidence that I do not agree with the Attorney General of Alberta. Obviously, I do not agree with this government, the present Solicitor General or the previous solicitor general.

Some hon. Members: Hear, hear!

Mr. Woolliams: I should like to put my question to him again. They are bypassing their responsibilities.

Some hon. Members: Oh, oh!

[Mr. MacKay.]

Mr. Woolliams: All my hon. friends in the corner do is sit there. I do not know why their constituents return them to their various seats, because they never say anything.

Mrs. Holt: They do it because we do not talk.

Some hon. Members: Oh, oh!

Mr. Woolliams: Has the Solicitor General any evidence indicating that there was anything illegal or irregular in reference to the RCMP, which is his responsibility?

Mr. Fox: Mr. Speaker, the clear answer to the hon. member's question is that I do not have any evidence of any illegal activity perpetrated by the RCMP in that regard. The Attorney General of Alberta feels that we have co-operated fully with him and with the inquiry he has launched, instead of just making vague allegations against the police forces of this country, be it the RCMP or any other police force. It is quite obvious that the Attorney General of Alberta has opted for a method of getting to the facts and getting away from vague, generalized allegations, which do no service to anyone in this country.

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POST OFFICE

GOVERNMENT POSITION ON FORMING CROWN CORPORATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In presenting the question, may I congratulate him—

Mr. Paproski: No congratulations.

Some hon. Members: Hear, hear!

An hon. Member: Congratulate him on nothing.

Mr. Dinsdale: —on the quality of his hospitality at the reception during noon hour—

Mr. Munro (Esquimalt-Saanich): You were busy all morning making sandwiches, J.-J.

Mr. Dinsdale: —and for the new stamps, in the presence of Their Excellencies, Governor General and Madam Vanier—

Some hon. Members: Oh, oh!

Mr. Paproski: Governor General and Madam Léger.

Mr. Hnatyshyn: We tend to forget the Governor General's name because we never see him on Dominion Day.

Mr. Dinsdale: Yes, I should have said: "Governor General and Madam Leger". That was a Freudian slip, because we all respect the Vaniers as well.

Since the sixties various studies, commissioned by the Post Office at considerable expense to the public in attempts to resolve the growing labour-management impasse, have recom-

mended that the Post Office become a Crown corporation, will the Postmaster General inform the House if his department has followed up some recommendations with feasibility studies to examine in detail the pros and cons of forming a Crown corporation, and if so, what conclusions has he reached on this matter?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, first of all I thank the hon. member for having given additional publicity to this very, very worth-while occasion. I thank him also for having partaken in the masterfully prepared sandwiches which we had to offer. As well, I wish to transmit to the hon. gentleman a good Canada Day because I will not see him until tomorrow. Also I wish to thank the hon. gentleman for his question.

Having said all those pleasant things, I might indicate that at this time the question of whether the Post Office should or should not be a Crown corporation tends to be a red herring. As the hon. member knows, I have indicated quite often that I am favourably inclined toward that particular solution. However, as he has indicated to me, even the United States experiment, which was attempted with reference to making their postal department similar to a Crown corporation as it would be in Canada, has not been successful. There always has been and will continue to be a great deal of public identification with the Post Office being a department of the Public Service. We are devoted to the Public Service. At this time I would prefer to hear the representations of the hon. member, as included in his motion under Standing Order 43 which he introduced earlier on today. I thought his suggestion was one we might consider very seriously, indeed.

Mr. Paproski: Why did Goodale say: "No"? Why did Pierre say: "No"? Shame, shame!

Mr. Dinsdale: Mr. Speaker, I am pleased the Postmaster General is more positive than some of his colleagues. In answering my specific question, has he himself engaged in feasibility studies? In view of the fact that he mentioned the United States experiment, has the Postmaster General studied the documents which led the United States—and they are still proceeding on this course—and also the United Kingdom to convert their respective postal services into semi-private and Crown corporation entities respectively, in order to resolve similar labour-management stalemates in their post offices?

Mr. Blais: Yes, Mr. Speaker, in all aspects, and I repeat—

Some hon. Members: No, no!

• (1440)

PUBLIC WORKS

ALLEGED CHANGE IN SYSTEM TO PERMIT HYDROCULTURE LUWASA TO TENDER

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the Minister of Public Works. In view of the statements of Hans Hegeraats of the minister's department, as reported in the *Globe and Mail* recently, that tendering arrangements will be changed in order to allow Hydroculture Luwasa "to bid on contracts", I am wondering if the minister will tell the House, in view of the problems that have been so evident in recent years concerning tendering procedures, how this will come about, and whether he has checked thoroughly to ascertain whether Mr. James Coutts, or Senator Davey, or their representatives have spoken to his officials to expedite this proposed departure from apparently well established tendering procedures? In other words, do we need Hydroponic plants this badly?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, I believe both the gentlemen made it very clear in fact there were no representations made to officials in my office. As far as I am concerned, in spite of the reservations expressed by the hon. member, the open tendering system is alive and well and working very well within the Department of Public Works.

Mr. MacKay: I appreciate the answer, Mr. Speaker, although I did not get an answer as to how these proposed changes will be expedited.

* * *

CONFLICT OF INTEREST

RULES GOVERNING TRUSTEES FOR BLIND TRUSTS

Mr. Elmer M. MacKay (Central Nova): My supplementary is to the Prime Minister or government House leader. In view of the reported blind trust arrangements involving the Prime Minister's principal secretary, vis-à-vis Hydroculture Luwasa, the interesting firm where one partner is not aware of the other partner's identity, according to newspaper reports, would the minister or the Prime Minister now or at some future date tell the House who is eligible, in the government's view, to be trustees for blind trusts. Are there any criteria or any rules of eligibility for trustees in such blind trusts arrangements in view of the rather bizarre circumstances, whereby Mr. Coutts' interest in Hydroculture Luwasa has been put into a so-called blind trust, one of the trustees of which, Stanley Goldfarb, is the brother of a director of Hydroculture Luwasa, in which, of course, Mr. Coutts has an interest? In other words, Mr. Speaker, it is the peripheral vision of the blind trust which concerns us.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are certain rules as to what kind of trustees should be chosen. I will endeavour to transmit them to the hon. member.

* * *

LABOUR CONDITIONS

PAID EDUCATIONAL LEAVE—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a question to the Minister of Labour. Yesterday in directing questions to the Prime Minister with respect to the minister's speech on June 13 at the ILO regarding paid educational leave, I asked whether the comments contained in that speech were government policy. The Prime Minister responded and I quote from *Hansard*:

—I will check the speech to see exactly what the minister said and to see to what extent he was enunciating a generous idea or an idea which is part of government policy.

Do the ideas put forward in his speech at the International Labour Organization on paid educational leave amount to government policy? If so, is it the intention of the government to begin to initiate paid educational leave arrangements in the Crown corporations and in the Public Service unions?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, perhaps the hon. member will be good enough to check *Hansard* and he will find that during the reply to the Speech from the Throne there were 14 points announced at this session. One of the 14 points was the fact that the government indicated at that time, and is still indicating, that we are prepared to set up a task force to study all the implications of paid educational leave. That study, as I indicated in my speech, is now underway.

Mr. Fraser: Mr. Speaker, a number of the 14 points that the minister put forward have not been clarified in detail. In his speech in Geneva, the minister referred to paid educational leave in the unorganized non-trade union areas of workers in Canada. Will the minister advise whether it is the intention of the House to use public funds to cover the cost of such arrangements?

Mr. Munro (Hamilton East): Mr. Speaker, the terms of the concept being one that we foresee might be very helpful in diffusing labour management problems that have so plagued this country over the past few years, we would be talking in terms of setting up a task force that would bring together all those interested in this particular concept as a means for improving our industrial relations scene. That would include a study into the means of financing the whole arrangement. That has many serious implications that would only be revealed through a very serious study which we are recommending.

Mr. Speaker: The hon. member for Leeds.

[Mr. MacKay.]

Mr. Fraser: Mr. Speaker, this is an important matter. I do not think that I should be cut off.

Mr. Speaker: The hon. member for Leeds.

Mr. Fraser: Mr. Speaker, I have to object.

Mr. Speaker: Order, please.

Mr. Fraser: Question period is a waste of time if we are going to be cut off on a matter of this importance.

Mr. Speaker: Order, please. I am sure that sentiment is shared equally be several other members trying to get some time to ask their questions. I am perfectly prepared to see the time to dispute the matter. The answer has been clearly given by the Minister of Labour that the matter will take further study and review at this stage. With those kinds of answers, we ought to get some more immediate questions. The hon. member for Leeds.

* * *

CRIMINAL CODE

APPLICABILITY OF SECTION 110 TO MEMBERS OF SENATE AND HOUSE OF COMMONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is directed to the Prime Minister. It arises out of statements at his press conference yesterday. Is it government policy to consider that members of the Senate, and for that matter members of the House of Commons as well, do not fall within the classification of the word "officials" as defined in Section 110 of the Criminal Code of Canada which makes it an offence for so-called officials to use influence for obtaining government business and, therefore, such persons as Liberal campaign director Senator Keith Davey are permitted to participate in contracts for the government? Is this the reason the government permits business to be done with such a person having an interest in Hydroculture Luwasa?

Right Hon. P. E. Trudeau (Prime Minister): I am sure, Mr. Speaker, you will recognize that the hon. member is asking me to interpret for him a very contentious act, the Senate and House of Commons Act. It is because the wording of this has not been interpreted in an unequivocal fashion over the years that the government put forth conflict of interest guidelines. Perhaps eventually we will clarify the meaning of this act. However, until this is done, the House of Commons is bound by the rules which it sets for itself and so is the Senate within, of course, the framework of its interpretation of this law.

SUPPLY AND SERVICES

JUSTIFICATION FOR CONTRACTS WITH HYDROCULTURE LUWASA IN VIEW OF FACT SENATOR DAVEY SHAREHOLDER

Mr. Tom Cossitt (Leeds): Mr. Speaker, I will direct my supplementary question to the Minister of Supply and Services. Has the minister had an opportunity to examine whether Hydroculture Luwasa is about to receive contracts from his department or whether contracts are under negotiation with his department? Specifically, if this is so, what reasons justify this in view of the fact that one of the substantial shareholders is Senator Davey, the Liberal campaign chairman?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, four contracts amounting to $932 were awarded the firm in question, Hydroculture Luwasa of Canada Limited, following normal negotiations for which my department is responsible.

Mr. Speaker: The hon. member for the Northwest Territories.

Mr. Grafftey: Mr. Speaker, I contacted the Minister of Justice and the office of the Solicitor General today with regard to my question—

[*English*]

Mr. Speaker, yesterday a most unfortunate incident occurred on the island of Montreal.

[*Translation*]

Mr. Speaker: Order. I am sorry but I had given the floor to the hon. member for Northwest Territories; he now has the floor. I shall recognize the hon. member for Brome-Missisquoi after.

* * *

[*English*]

NORTHERN AFFAIRS

ENFORCEMENT OF MINE SAFETY REGULATIONS IN NORTHWEST TERRITORIES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Yesterday I asked the minister about the repeated requests by the commissioner of the Northwest Territories for authority to enforce the mining safety ordinance. At that time the minister informed me of his intention to raise this matter with the Minister of Labour. I have a copy of a letter from an assistant of the Minister of Labour which states that this matter does not come within the jurisdiction of the Minister of Labour. Will the minister please inform the House how he intends to act on this request and when we can expect a reply?

● (1450)

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): The hon. member himself said yesterday that it was under the jurisdiction of the Minister of Labour. It was for that reason that I referred it to him. I will look into it once more. It is something that is under the Territorial government, but I will check into it once more and give the hon. member an answer. However, I was following his advice yesterday.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REPORT ON BOMBING IN MONTREAL

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, as I said before, I was in touch today with the office of the Solicitor General with regard to my question.

[*English*]

Yesterday a most unfortunate incident occurred on the island of Montreal when William Robert Scully, 35, of Notre Dame de Grace blew himself up with a bomb and was killed instantly. Considering that anti-separatist literature was found in the late Mr. Scully's apartment, has the minister asked for a full investigation of the matter? Was this an isolated action of a disturbed man? Was he acting alone or in concert with others, and was there other ammunition on the premises?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I thank the hon. member for having given me notice of his question. It goes without saying that, like all hon. members in the House, I am aware of the incident which occurred yesterday in Montreal when an explosive device blew up in a private home. The only information I have, for the time being, Mr. Speaker, is that the Montreal police are making an inquiry. As for us, we have no further details on the incident at this time.

[*English*]

REQUEST FOR ASSURANCE GOVERNMENT INFORMED OF TERRORIST ACTIVITIES

Mr. Heward Grafftey (Brome-Missisquoi): I ask this of the minister very calmly in view of some of the implications in this matter. Can he assure the House that the federal government is now and will in the future be fully informed on this and other possible related matters by the anti-terrorist squad on the island of Montreal? Is the federal government making sure that it has all the information on matters like this and possibly related matters because of the obvious implications of the matter?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am very glad to see that for the first time in a few months at least one hon. member of the opposition has recognized the need for an efficient security service by the RCMP not only in Montreal but across the country. I must remind the hon. member, Mr. Speaker, as I was saying at the beginning of my answer, that I have no other information right now. However, I must

also point out that, traditionally, the working conditions and the operational relationship between the RCMP and the Montreal Urban Community always were and remain excellent, and that we have every reason to believe that the inquiry launched by the Montreal Urban Community will bring out the necessary precisions.

* * *

[*English*]

IMMIGRATION

REASON FOR DETENTION OF JAMES KENNEDY—GOVERNMENT POSITION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Manpower and Immigration and I have given him notice of the question because it involves a serious human rights issue similar to those Canada criticizes in other countries. It concerns James Kennedy, holder of a valid Irish passport who has been in Vancouver on a Canadian visa since 1974. The government now seeks to deport him because they say he is somebody else. Regardless of who he is, Mr. Kennedy was arrested on May 27, over a month ago, and is being held in maximum security in Oakalla prison, without bail, and, although no charges have been laid against him in Canada and proceedings for extradition have not been commenced by any other government and he has not been convicted of anything, he is treated like other convicts and is not allowed to phone his mother and father to prove his identity. What is the government's intention in connection with this matter?

Hon. Bud Cullen (Minister of Manpower and Immigration): I have been informed that there are reasonable grounds to believe that the person known as James Kennedy is actually James Joseph McCann who has an extensive criminal record in the United Kingdom. I have to be careful in commenting any further because his counsel at present has an application for a writ requiring this person to be brought before a judge to determine if he is being held in lawful custody, and I would be hesitant to comment any further than that.

Mr. Clarke: Could the minister say why this man is being held in prison at the taxpayers' expense for a deportation hearing when he has already volunteered to leave Canada, and why he is being denied bail when such people as Huey Newton in Toronto have been released on $1,000 bond?

Mr. Cullen: Mr. Speaker, if the facts were that simple, it would be easy, but the individual has indicated that he wants to leave the country as Kennedy. He wants us to accept the fact that his passport is in fact a valid passport in the name of Kennedy. Those conditions are not acceptable.

INQUIRY WHETHER ANY GOVERNMENT SEEKS TO EXTRADITE JAMES KENNEDY

Mr. James A. McGrath (St. John's East): May I ask the minister if the government of the United Kingdom or the government of the Republic of Ireland have asked for the extradition of this man or have they been in touch with the department with regard to the charges pending against him in either the United Kingdom or the Republic of Ireland?

Hon. Bud Cullen (Minister of Manpower and Immigration): My information to date is that no application for extradition has been made, but this gentleman is being held under the Immigration Act. We believe he came into the country under a false passport and is holding himself out to be someone other than who he is.

* * *

ENERGY

POSSIBILITY OF ESTABLISHING PLUTONIUM PROCESSING PLANT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister. It relates to earlier questions as to the government's intention regarding plutonium processing plants in Canada. Given the statements made last week by officials of the Geologic Survey of Canada that they were combing Ontario for sites suitable for a nuclear waste dump and further comments by Mr. S. A. Mayman, senior scientist with AECL, that any nuclear waste dump would be tied to a plutonium processing plant, has the Prime Minister consulted with the Minister of Energy, Mines and Resources, as he said he would on May 26, about this matter and could he inform the House now of the outcome of those discussions?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. Following the hon. lady's question I did consult with the minister and he confirmed what I had indicated to the House, that there has been no decision by the government to proceed with the plutonium processing plant.

SUGGESTED STUDY OF RISKS PRIOR TO ESTABLISHING PLUTONIUM PROCESSING FACILITIES

Miss Flora MacDonald (Kingston and the Islands): May I direct a supplementary question to the Minister of Energy, Mines and Resources. In light of the report that was prepared by the federal Department of the Environment for the Ontario Royal Commission on Electricity and Nuclear Power which strongly warns that no production of plutonium should be allowed in Canada before a complete study of risks and safety requirements is carried out, would the minister, first of all, ask his colleague to table that report—

Mr. Gillespie: Why don't you ask him yourself?

Miss MacDonald: Yes, I will put that question to the minister. I would like to ask the Minister of Energy, Mines and Resources as well if he would give the House the undertaking that the government will not proceed with any reprocessing facility until such a study as the Department of the

Environment recommends is made and there is ample time to discuss the study and debate it in public.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I think it should be made clear that the government will not make any decision with respect to reprocessing facilities without making a very careful assessment of all the factors involved. The report to which the hon. lady refers may be the kind of report which deals with some of these questions—I have not seen it so I cannot comment on it—but I do believe that they made a submission to the Porter Royal Commission which is considering some of these matters. At present my department has a task force which is considering the questions of the ultimate disposal of nuclear waste. I want to make it very clear that because we are looking at the ultimate disposal of nuclear waste we are not looking at the same time at putting in a reprocessing plant. The two could go together, but we have taken no decision that it should go that way.

● (1500)

REQUEST FOR ASSURANCE NO SITE FOR DISPOSAL OF RADIOACTIVE MATERIAL AT MADOC

Mr. J. R. Ellis (Hastings): Mr. Speaker, the Minister of Energy for Ontario announced some two months ago that there would be no waste disposal site at Madoc. I have been saying that for some time. Mr. S. A. Mayman said it about two or three weeks ago. Would the Minister of Energy, Mines and Resources for Canada now indicate that there is not to be a waste disposal site in the Madoc area?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have had no reason to say that there would be a waste disposal site at Madoc. I have never said there would be one.

Mr. Speaker: Order, please. Hon. members will be aware that there are two private members' bills which have been printed with the same number, Bill C-427, one in the name of the hon. member for Terrebonne (Mr. Comtois) and one in the name of the hon. member for Toronto-Lakeshore (Mr. Robinson). Bill C-427 in the name of the hon. member for Toronto-Lakeshore was inadvertently printed on June 23, 1977, as I indicated to the House yesterday, while the notice for introduction of the bill remained on the order paper. This bill was introduced yesterday and will be reprinted as Bill C-430. Bill C-427 will stand in the name of the hon. member for Terrebonne.

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SUPPLY AND SERVICES

CONTRACTS WITH HYDROCULTURE LUWASA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a point of order. A few moments ago I directed a question to the Minister of Supply and Services (Mr. Goyer). When he was in the middle of his reply, I had the impression—and I think the correct one—that he was about to answer the important part of my question as to whether further contracts were about to be signed with Hydroculture Luwasa Limited. I am wondering if the unanimous consent of the House could be obtained to allow the minister to finish his answer. I am sure hon. members opposite would not deny one of their ministers the chance to finish telling the Canadian public the truth.

News Agency Letter

Mr. Speaker: The minister would need unanimous consent to continue his answer.

Some hon. Members: Agreed.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, first, the answer is no and, second, to complete my answer to the hon. member, I should like to say that I am aware of no influence that would have been used when the four contracts were awarded to that corporation.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

TABLING OF REFERENCES TO ADMINISTRATOR

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table references to the Administrator under the anti-inflation program with respect to the Village of Glenboro; Canadian Carborundum and United Steelworkers, Local 5953; Canadian Carborundum and United Steelworkers, Local 4151; City of Winnipeg and United Firefighters; and the Regional Municipality of Waterloo.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

TABLING OF LETTER FROM L'AGENCE DE PRESSE LIBRE

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, with your permission and at the request of the hon. member for St. John's East (Mr. McGrath), I would like to table a letter from which I quoted on June 21, 1977. This letter was addressed to me, dated October 9, 1972, received in my office on October 11, 1972 and signed by L'Agence de Presse Libre du Québec, the Mouvement pour la défense des prisonniers politiques and the Coopérative des déménageurs du premier mai.

[*English*]

Mr. Speaker: That is in response to the point of order raised by the hon. member for St. John's East (Mr. McGrath), and unless there is further comment, that seems to bring that matter to a conclusion.

News Agency Letter

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not want to prolong this, but the matter was raised by the hon. member for St. John's East (Mr. McGrath), and I think the whole House should be grateful to him because if Your Honour had made a ruling it would have expanded the precedents of the House with respect to this matter. I wonder if Your Honour was prepared to make a ruling, and, if Your Honour was prepared to make a ruling with respect to this matter, I wonder what would Your Honour's ruling have been.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): I think this is very important from the point of view of the precedents of this House.

Mr. Speaker: I can indicate to the hon. member for Grenville-Carleton (Mr. Baker) that I had, I suppose, several opportunities to change the course of the argument along the way. The hon. member for St. John's East (Mr. McGrath) raised the matter initially as a point of order. If I had thought the point of order was entirely without merit, I would have said so at the time. Having acccepted the initial point of order, it has always been my practice to encourage argument on both sides of any question, because I think it would be foolish to attempt to make any decision without a contribution from both sides for fear that significant points may be missed in the argument. Therefore I encouraged a response from the side opposite the hon. member raising the point of order. That response might have been very illuminating. In fact the response is the tabling of the document, which seems to be a rather self-evident conclusion to the matter.

Mr. McGrath: Mr. Speaker, the document has just been handed to me. I was listening very carefully to the translation. There were two letters referred to in my point of order. One is the letter which has now been tabled. The other letter is a letter from an officer of the RCMP to the minister, who was then the solicitor general, advising him that there should be no acknowledgment of the letter I have in my hand. In my point of order I asked for the tabling of both letters, and I wonder if Your Honour would consider that.

Mr. Speaker: Perhaps not at this particular moment because of the compression of time, but presumably there would be an argument from both sides with respect to the other letter, which I think was treated somewhat differently. On the face of it I would want to hear argument specifically about each letter. We have had one response with respect to this letter. If there was another which might be the subject matter of further argument, perhaps the two parties could agree that Monday at three o'clock might be a convenient time, and if not then Tuesday at three o'clock might be a convenient time to present arguments on both sides in terms of the precedents, and I would attempt to decide the question at that time.

[Mr. Speaker.]

INDIGENOUS PEOPLES RECOGNITION ACT

MEASURE TO RECOGNIZE INDIANS, MÉTIS, AND INUIT AS FOUNDING PEOPLES

Mr. F. A. Philbrook (Halton) moved for leave to introduce Bill C-431, to recognize indigenous peoples among the founding peoples of Canada.

Some hon. Members: Explain.

Mr. Philbrook: Mr. Speaker, the purpose of this bill is to ensure that the contribution of Canada's indigenous population to the social, cultural, and economic development of the country is duly acknowledged by the federal government.

Presently the term "founding peoples" is frequently construed to mean only the English and the French who colonized what is now Canada. This bill would explicitly affirm the historical commitment of Canada to include the indigenous peoples among the founders of our country.

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

* * *

ELECTORS PRIVILEGE ACT

MEASURE TO CONFER CONFIDENTIALITY ON COMMUNICATIONS BETWEEN PUBLIC AND ELECTED REPRESENTATIVES

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance) moved for leave to introduce Bill C-432, respecting confidential communications between elected representatives and their constituents.

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, this bill would create a privilege in court so that elected representatives cannot be compelled to disclose the confidences of their constituents unless their constituents direct them to do so.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY OF COCHRANE

Mr. Stewart (Cochrane): Mr. Speaker, I wonder if the consent of the House could be granted so that we could include a bill standing in my name under introduction of bills in today's notice paper. It is simply a change of constituency name, which would be joined with all the other bills which are going to be before the House later this day.

Mr. Speaker: The introduction of the bill to take place at this time so that it can be included with all the others which are to be dealt with at four o'clock this afternoon would

require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

● (1510)

Mr. Ralph Stewart (Cochrane) moved for leave to introduce Bill C-433, respecting the Electoral Boundaries Readjustment Act (Cochrane).

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

Mr. Speaker: When shall the bill be read the second time?

Some hon. Members: Later this day.

Mr. Speaker: Later this day, by leave.

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CANADA

RE-DEDICATION OF PARLIAMENT TO NATIONAL UNITY

On the order: Government Notices of Motions.

June 28, 1977—The Prime Minister—The following proposed motion: That Members of this House dedicate themselves anew to the continuing unity of Canada as a free and independent country organized on the basis of a federal form of government with two official languages and a diversity of cultures.

Mr. Speaker: Pursuant to section 2 of Standing Order 21 this government notice of motion stands transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 57, 642, 2,221, 2,268, 2,305, 2,347, 2,399, 2,408, 2,638 and 2,647.

[*Text*]

COST OF UNITED NATIONS HABITAT CONFERENCE

Question No. 57—**Mr. Cossitt:**

What was the total cost to the taxpayer of all aspects of the United Nations Habitat Conference held in Vancouver and, of this total, how much was spent for unused hotel rooms that had been booked for the Conference?

Hon. André Ouellet (Minister of State for Urban Affairs): The cost to the federal government as host for, and participant at, the United Nations Conference on Human Settlements: Habitat was $18.5 million. Of this amount $5.2 million was for the Canadian Participation/Information Programme, $11.3 million for hosting the U.N. Conference and $2.0 million in financial assistance to the non-governmental group which had

responsibility for providing facilities and programme assistance for the Habitat Forum. Included in the host cost of $11.3 million is $400,000 which was required to settle claims for unused hotel rooms. For further details please refer to answer to Question 642 tabled this day on hotel costs.

HABITAT CONFERENCE HOTEL ROOMS

Question No. 642—**Mr. Beatty:**

1. (a) How many hotel rooms were rented by the government for the Habitat Conference in Vancouver, British Columbia, from May 31 to June 11, 1976 (b) how many were unused but will have to be paid for by the taxpayer?

2. What was the cost to the taxpayer for unused hotel rooms?

Hon. André Ouellet (Minister of State for Urban Affairs): 1. (a) 3,900 rooms (28,500 room nights) were reserved by the government for the United Nations Conference on Human Settlements: Habitat; (b) According to Vancouver hotels, 12,000 room nights were unused and claims totalling $570,000 were submitted to the government.

2. Negotiated settlements amounting to $400,000 have been concluded with the hotels.

NOTE: It is normal practice when hosting international gatherings to advance book hotel rooms. Because nations were slow in providing firm information on the size of their delegations, the bookings had to be made on the basis of the best information available. There were sufficient delegates in Vancouver to occupy all the reserved rooms, but over thirty delegations moved from the conference hotels to cheaper suburban hotels, and some delegations never moved into the accommodation that had been booked for them.

CONTRACTS FOR PROFESSIONAL AND SPECIAL SERVICES—DEPARTMENT OF SUPPLY AND SERVICES

Question No. 2,221—**Mr. Broadbent:**

1. In the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77, how many contracts for professional and special services were let by the Department of Supply and Services on behalf of government departments and agencies?

2. For each of the same years, what was the total value of such contracts and, in each case, what was the total number of persons employed under its terms?

3. For each of the same years, what was the number of man-years of employment produced as a result of such contracts?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1, 2 and 3.

	Period	Number of Documents	Value $000
(a)	1974-75 (*)	2,621	71,206
(b)	1975-76	4,997	110,640
(c)	1976-77	5,207	122,973

(*) Excludes contracting by Regional Operations: data not available.
NOTE: The information relating to the number of persons employed and the number of man-years of employment produced as a result of

such contracts is unavailable since our information system does not record it. The standard object (04)—Professional and Special Services incorporates a very wide-ranging spectrum of services as partially explained on pages 1-58 and 1-60 of the Main Estimates 1977-78. A number of these services are not manpower based (i.e. rentals of space, machinery, equipment...).

AGREEMENT WITH QUEBEC ON TAX DEDUCTIONS OF EMPLOYEES WORKING IN QUEBEC

Question No. 2,268—**Mr. Baker (Grenville-Carleton):**

Is the government considering negotiating an agreement with the Province of Quebec in view of anticipated movements to Quebec of employees of departments, Crown corporations and agencies in order that such employees' income tax deductions be dictated by the province of residence as opposed to the province of employment?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The federal and Quebec governments recently reached an agreement concerning the income tax deductions for federal public servants working in Hull and living in Ontario. Under the agreement, Quebec will reduce the provincial tax deductions for employees of federal departments so that the total amount of tax withheld will approximate the amount that would have been withheld had the person been working in Ontario. For other residents of Ontario working in Quebec, including those in the private sector and employees of federal boards, commissions, agencies and Crown corporations, Revenue Canada, taxation has indicated that it will reduce the amount of federal tax deductions to achieve this same result. It is expected that the necessary reduction in withholding will be implemented in July, 1977.

GOVERNMENT POLICY ON RE-CYCLING

Question No. 2,305—**Mr. O'Sullivan:**

1. What percentage of paper used by the Queen's Printer contains or consists of re-cycled material?

2. Does the government have a policy of encouraging the use of re-cycled material in fulfilling its needs for stationery and, if so, on what date was this policy initiated?

3. What (a) have been the total costs each year (i) 1972-73 (ii) 1973-74 (iii) 1974-75 (iv) 1975-76 (b) is the total estimated costs for (i) 1976-77 (ii) 1977-78 for the government's requirements for stationery?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and Supply and Services as follows: 1. Specifications for paper used by the Department of Supply and Services permit recycled material. Most papers, from time to time, use some recycled material, but the actual percentage, however, is impossible to determine.

2. A policy was adopted in November, 1976 that departmental stationery should contain recycled paper. Subsequently, the Department of Supply and Services in co-operation with the Department of Fisheries and the Environment has developed the concept of a procurement specification for "Environmental Bond" i.e. a fine paper containing a certain percentage of post-consumer waste and introduced this to the Canadian fine paper industry. Discussions are continuing between the departments concerned and the fine paper industry.

3. The total paper costs are as follows: (a) (i) $5,990,000*; (ii) 9,895,000*; (iii) 18,668,000; (iv) 24,027,000; (b) (i) $25,268,000 est.); (ii) 28,567,000 (est.)

*In 1972-73 and 1973-74, billing was just being centralized under the department of Supply and Services; some departments purchased their own paper supplies.

CONSOLIDATED COMPUTER INC.

Question No. 2,347—**Mr. Stevens:**

1. How many of the KEY-EDIT 50, 60 and 1000 systems were delivered to Consolidated Computer Inc.'s (CCI), customers in 1975 and 1976 and the first quarter of 1977?

2. What was the quantity of each model delivered to customers in each year and in the first quarter of 1977?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Supply and Services is concerned: 1 and 2. Government Key-edit purchases and leases contracted through the Department of Supply and Services: 1975 deliveries 4 Systems, Model 50; 4 Systems, Model 60; 2 Systems, Model 100; 3 Systems, Model 1000; 1976 deliveries 18 Systems, Model 60; 1 System, Model 100; 3 Systems, Model 1000; 1977 (1st Qtr.) 5 Systems, Model 60; 1 System, Model 1000; 1 System, Model 555.

In so far as the Department of Industry, Trade and Commerce is concerned: 1 and 2. Details concerning Consolidated Computer Inc.'s (CCI) sales to the private sector are considered to be commercially confidential. Disclosure of such information could place CCI at a disadvantage vis-à-vis competitors.

CN/CP TELECOMMUNICATIONS OFFICE IN SASKATOON

Question No. 2,399—**Mr. Hnatyshyn:**

Is the CN-CP Telecommunications Office in Saskatoon opened on Saturdays and Sundays and, if not, will the government ensure that the Office will be open in future?

Hon. Otto E. Lang (Minister of Transport): The Canadian National Railways advises that the CN/CP Telecommunications office in Saskatoon is closed on Saturdays and Sundays. The low volume of business offering does not, at this time, warrant opening of the office on those days.

LEG-HOLD TRAPS

Question No. 2,408—**Mr. Patterson:**

Is the government through the (a) Canadian Wildlife Service of the Department of the Environment (b) Department of Indian Affairs and Northern Development testing new, more humane traps to replace the leg-hold traps and, if so, how much is being spent in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and Indian and Northern Development as follows: (a) Yes, indirectly. Trap testing is not being done

directly by the federal government. However, some work is being done in this area, which will help the Federal-Provincial Committee for Humane Trapping reach its objectives. The Canadian Wildlife Service has awarded contracts of $25,300 to the Canadian Standards Association, and $33,400 to the Ontario Veterinary College for mechanical and biological testing. The committee is now making arrangements for trap testing on its own behalf. (b) Yes, indirectly. The development and testing of more humane traps and trapping techniques is a joint federal-provincial undertaking, conducted and co-ordinated by the Federal-Provincial Committee for Humane Trapping (F.P.C.H.T.). The Department of Indian Affairs and Northern Development contributes financially to the committee's program and provides federal representation on the committee. Direct contributions to the F.P.C.H.T. from 1973-74 to 1976-77 (incl.) totalled $57,967 and a further $42,035 has been committed for the years 1977-78 and 1978-79. Also, the following contributions were made to the Manitoba Wild Fur Development Program for field testing and Development of humane traps and trapping techniques: 1975-76, $20,550; 1976-77, $20,000 (estimate). The Yukon government reports that its game branch is involved in the field testing of traps provided by the Co-ordinator of the Federal-Provincial Committee for Humane Trapping. No expenses are incurred by the Yukon Territorial Government in this program. The Northwest Territories has contributed a total of $10,412 to the F.P.C.H.T. for 1973-74 to 1976-77 (incl.) and a further $4,000 is budgeted for 1977-78.

POST OFFICE DEFICIT AND SERVICE COMPLAINTS

Question No. 2,638—**Mr. Beatty:**

1. What was the total deficit of the Post Office Department in (a) 1966 (b) 1976?

2. How many complaints of lost or delayed mail were received by the Postmaster General (a) in 1976 (b) between January 1 and April 30, 1977?

Hon. J.-J. Blais (Postmaster General): 1. (a) $30.7 million; (b) $546.2 million.

2. (a) Loss: 403; Delay: 2,330. (b) Loss: 141; Delay: 947.

NCC EXPENDITURES

Question No. 2,647—**Mr. Cossitt:**

1. What has been the total amount of money spent by the National Capital Commission in each of the past five years and what is the total figure combined?

2. For each year what percentage was spent in (a) Ontario (b) Quebec and how is the total figure broken down?

3. What is the breakdown of the estimated expenditures for the current fiscal year and will the amount spent in Quebec be approximately 60 per cent of the NCC's total budget?

Hon. André Ouellet (Minister of State for Urban Affairs): 1. In each of the past five years, the Commission's total net expenditures were as follows: 1972-73, $39,987,309; 1973-74, $33,715,756; 1974-75, $54,693,723; 1975-76, $67,181,195; 1976-77, $49,367,653; for a total of $244,945,636.

2. The breakdown for the net expenditures for each year is as follows:

	Ontario	per cent	Québec	per cent
1972-73	$ 23,355,000	58 per cent	$ 16,632,000	42 per cent
1973-74	17,283,000	51 per cent	16,432,000	49 per cent
1974-75	34,167,000	62 per cent	20,527,000	38 per cent
1975-76	48,680,000	72 per cent	18,501,000	28 per cent
1976-77	30,450,000	71 per cent	18,918,000	29 per cent
	$153,935,000	63 per cent	$ 91,010,000	37 per cent

3. A breakdown of the commission's estimated net expenditures in 1977-78 will be: Ontario, $28,234,000, 45 per cent; Quebec, $34,229,000, 55 per cent; Total, $62,463,000.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,288 could be made an order for return, this return would be tabled immediately.

[*Text*]

ENVIRONMENTAL STUDIES OFF COAST OF LABRADOR

Question No. 2,288—**Mr. Rompkey:**

1. Which department of government has responsibility for environmental studies in that area of ocean off the Labrador Coast?

2. How many environmental studies have been done in this area?

3. What technology does Canada now have or will have in the near future for cleaning up a spill or handling oil below ice or in pack ice?

4. (a) How long has the government been giving out permits to companies to drill off Labrador (b) what environmental protection restrictions have gone with these permits?

5. What information does Canada have regarding the ocean area off the Labrador Coast including (a) detailed chartering of water depths (b) ocean current patterns (c) primary productivity (d) sea ice studies (e) remote sensoring (f) marine resources inventory and life histories (g) larval toxicity (h) oil spill containment to cleanup (i) oil degradation (j) baseline levels of pollutions (k) modelling oil spill dispersal (l) fate of oil in ice (m) coastal zone mapping (n) surface and subsurface geography?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think the Parliamentary Secretary to the President of the Privy Council would feel hurt if I did not ask the usual question about the business of the House, so I shall do that. Can he tell us what

we will be dealing with in the next week and if there is any change in the plans set forth yesterday by his leader?

Mr. Goodale: Mr. Speaker, earlier today when we were dealing with the rest of business for today and next week a question was raised about the order of business for Monday and Tuesday. I am pleased to report that we will continue consideration of Bill C-27 dealing with unemployment insurance on Monday and on Tuesday morning, if it is not completed before one o'clock. If the bill were completed we would move to Bill C-49, Canada Pension Plan amendment, and if we are fortunate enough to complete that we will go to Bill C-17, the Air Canada legislation.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that is our special agreement with respect to Tuesday. Is it the order of business for Thursday and Friday as well, or will we have to consult further?

Mr. Goodale: Mr. Speaker, I think further consultation would be required. I think there is a disposition that instead of continuing with that order, if we have not completed it by one o'clock Tuesday, then instead of continuing with it on Thursday, we would probably return to consideration of Bill C-51.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1977

AMENDMENTS TO CRIMINAL CODE

The House resumed consideration of Bill C-51, to amend the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, and motions Nos. 7 and 28 (Mr. Woolliams).

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to make a few comments with respect to motion No. 28 which stands in the name of the hon. member for Calgary North (Mr. Woolliams). I endorse the remarks he made so eloquently before lunch, and also the learned and reasoned argument of the hon. member for Peace River (Mr. Baldwin).

Basically the Criminal Code of Canada provides for law and order in our country and sets the guidelines which affect every man, woman and child. I suggest that the citizens of Canada are entitled to know what the criminal law is, and for that reason the law should be contained within the sections of the Code, or alternatively in regulations that have been approved after debate in this House. I like to think that we live in a democratic country where we have respect for the freedom of the individual and where a person is considered innocent until proven guilty, and also that there is freedom of information as was discussed this morning by the hon. member for Peace River.

What happens when we begin to be ruled by regulation—regulations which the hon. member for Calgary North said are quite often prepared in the dark of the night without anyone's knowledge? I am not saying that we do not require provisions that enable the Governor in Council to make regulations. Certainly it would be foolish in this day and age to have all the regulations that are promulgated brought before the House for debate. Regulations made under the Criminal Code, however, should by their nature be subject to the scrutiny of parliamentarians.

Having regulations presented in parliament, as is suggested in the motion, would give parliamentarians an opportunity to debate them. When a matter is debated in the House of Commons it becomes the subject of public knowledge through television, radio, and newspaper, and people then have an opportunity to let their members of parliament know their views on the matter. The amendment of the hon. member for Calgary North proposes that within 15 days after regulations have been promulgated they be presented to the House of Commons.

We are not asking for a parliamentary debate on all regulations passed under the various acts, but we are asking that the regulations promulgated under the provisions of the Criminal Code be brought to the House for debate.

I practised law for some 20 years before coming to this House and I know it is very difficult at times to find out exactly what regulations exist. I appreciate that they are printed from time to time in the Canada *Gazette*, or if they are provincial regulations they are printed in the provincial *Gazette*, but how many people have the opportunity or the time to read them and find out what regulations have been passed?

Let me give an example of what happened in the province of Saskatchewan with respect to the metric bill. Through the influence of federal civil servants from Ottawa, civil servants of the province of Saskatchewan were able to have promulgated in that province regulations which changed the method of measuring land within the province from acres to hectares. Almost one year after the regulations were passed someone asked a minister of the province and a legislative member a question pertaining to the regulations, and was surprised to discover they did not know those regulations had been passed.

● (1520)

Cabinet ministers are supposed to know what regulations the Governor in Council passes. Presumably they are discussed in cabinet, but in this day and age when we pass so many regulations, ministers understandably have no time to read all of them. Mr. Speaker, it could happen that a regulation is passed without the public's being aware of it until someone is in breach of that regulation, after which it becomes public knowledge.

The criminal law of Canada is basic law, and the Code is probably one of the most important statutes in our statute books. If the Governor in Council can pass regulations which amend that law, there is something wrong with our system of government. That is why I urge members of this House to read motion No. 28, for they will see that it asks that all regulations made under the Criminal Code be brought before this House for consideration. In that process parliamentarians could debate them, and members of the public concerned about our criminal law would have the opportunity to make their views known on the acceptability of the regulations.

The hon. member for Calgary North has proposed an excellent amendment. I ask all hon. members who are at all concerned for our democratic way of life to support it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I, too, want to speak in support of the amendment. Although not legally trained I can understand how difficult it is to obey a law of which the public is unaware. The previous speaker spoke of orders in council which have the force of law. It is true that cabinet ministers and members of parliament should be aware of changes in the law, yet all too often a minister signs a document placed before him and so gives legal sanction to an order in council without being fully aware of its contents.

The Minister of Justice (Mr. Basford) suggested it is not necessary to table orders in council changing the criminal law because the statutory instruments committee scrutinizes all such changes in legislation. He suggested, I think, that it is not advantageous to make all such changes public. But the amendment asks more than that. It says that not only should such changes in the law be made public but, since they concern the criminal law, parliament should be given a chance to scrutinize them within 15 days of enactment, or 15 days after a session of parliament begins. This will allow parliament to debate them and either accept them or reject them. I suggest the Minister of Justice forgets that many regulations have a greater effect than the original enabling legislation.

That we may wish to outlaw certain guns is not the important point of the amendment. When we debate such questions we are really debating how regulations will be interpreted and enforced. I have heard members argue about the length of guns, but that is not a legislative matter. We decide in principle if we are to allow people to possess rapid firing guns, hand guns, or guns easily concealed. In the final analysis, questions as to whether guns of a certain calibre or of a certain type come within the prohibited class are determined through an interpretation of the law. The courts interpret laws, orders in council and other regulations, and acts accordingly. Really, we are enacting a prohibition against handguns, but it has been in effect for some years. We are adding to the prohibited list certain weapons not previously included under the heading of prohibited weapons. We set down the principle and the court interprets the regulations, which stipulate if guns of a certain calibre or certain length are in the prohibited class. My point is this: I may own a B-B gun of a certain calibre and go hunting with it today, but tomorrow, because the regulations are changed without my knowing it, I could be arrested for possessing a prohibited weapon. The point is that I would not know the law had changed.

Mr. Woolliams: Right on.

Mr. Peters: Surely it is unfair and stupid to amend regulations without letting the public know, and if the Minister of Justice cannot see the logic of making such changes in regulations public, his approach to our administration of justice is unrealistic.

In this country it is difficult to enforce justice. The average person thinks the police are picking on him. They pick on him when he drives, when he doesn't wear his seat belt, or when he commits a parking infraction, and the public views none of these infractions as serious. They are offences, true, but they are responsible for much of the public's animosity toward the police. These minor infractions create much friction.

What is the logic of passing regulations of which the public knows nothing? You can drive down the highway tonight, thinking you are within the speed limit, and be arrested because, without your knowing it, the province by secretly passed order in council reduced the speed limit ten miles an hour. Mr. Speaker, this is possible. You will be unhappy because you did not know the law had changed.

How would you feel if, through a sudden change in the regulations, 12-gauge shotguns or No. 5 shells were outlawed? If you are carrying that kind of gun to a duck hunt, you would be very surprised, very hurt, and very arrested just the same.

• (1530)

The Minister of Justice apparently believes in amending the Criminal Code by regulation, and asks us for authority to do so. Apparently he does not want these things made public, and in my view this is disgraceful and out of keeping with the principle of British justice. It may be he can go far in the direction he wishes, but it seems to me he is being unfair to the public, to the traditions of his office, and to the legislation which he wishes the public to support. British justice would call for him to go one step further.

Whenever the Criminal Code is amended by regulation or by order in council or any other of the statutory tools which the government uses, a reference should be made to parliament so that the representatives of the public might have their say. In my opinion the minister would have done the legislation a greater service if he had given an undertaking to proceed along these lines and to have allowed, say, for a day's debate on any changes in the Criminal Code. I do not believe he would find this proposition unworkable. It would have the additional advantage of helping to make the public aware of any changes which are being made.

I am always surprised to find that ordinary members of parliament, for whom I have a high regard, lose all sense of balance when they become cabinet ministers—all sense of responsibility to their colleagues and to the nation. The only people to whom they show any responsibility are their departmental officials. This is a great loss, because one would hope

they would continue to exercise normal caution when asked to take measures which the general public will not accept. What seems to happen is that public servants put in place regulations which often take us far away from the legislation which was originally passed by parliament, making it difficult for the public or even for members of parliament to detect any continuity in the changes which take place. Governments would be well advised to make every effort to bring to the attention of the public changes which take place affecting their freedoms and rights. A government which does not make a constant effort to do this is, in my opinion, failing to serve the public well.

Some of us have had an opportunity of looking at the green paper put out by the government with regard to the right of the public to secure certain information. That document can be summed up in a very few words—if it is not likely to offend the civil servants or to cause the government any trouble, there is no great objection to information being published. But if there is any danger to civil servants or to the minister, the documents requested will remain secret. Any changes in the Criminal Code affect you and I from time to time—

Mr. Knowles (Winnipeg North Centre): "You and me".

Mr. Peters: Very well, "You and me"—Stanley as well as the rest of us. They are quite likely to affect us as individuals. For this reason there should be as free and as open a flow of information as possible, not only because of the basic principle involved here but because it would help the general public to support the legislation we pass here and which must, of necessity, be changed from time to time. If the Criminal Code is to be amended by regulation, some way should be found to bring these changes to the attention of parliament, and the minister should be the first to accept the kind of amendment put forward by the hon. member for Calgary North (Mr. Woolliams).

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my intervention will be quite brief. I cannot let this opportunity go by without saying how much I support the amendment of the hon. member for Calgary North (Mr. Woolliams) which asks that when regulations are made they should be tabled in parliament within 15 days and then debated, especially under the section dealing with gun control.

This morning, when I was speaking, when the minister interjected to say I was in favour of regulation because I thought the length of gun barrels should be determined by regulation. If the minister wants to take a close look he will see I am certainly against regulating an important law such as this, though I realize the government likes to do most of its business by order in council and by regulation and incorporates this kind of situation in almost every law it brings forward. Anyway, member opposite are going to vote for this and have it included in the bill even though it is against the wishes of most of the people who are directly affected.

The people this gun law will directly affect are against this kind of thing, but knowing the bill is going to be put through anyway I want to take this opportunity to say I am certainly against regulation by order in council. I am against regulations such as those proposed by the minister in connection with laws as important as the Criminal Code. Many of the other members of my party who have had legal training have been able to put this position much more eloquently than I am able to do.

[Mr. Peters.]

• (1540)

In the over-all, Mr. Speaker, I completely agree that an order in council can change the law within a matter of days, and in such a way that many people are affected. As I have said, it could make criminals out of innocent people. They are the ones who usually get the most harassment. They will not know what is happening to them, but just because they do not know the law does not mean that they do not have to comply with the law. If such regulations were brought back to parliament within 15 days and debated, the people of Canada would have a better opportunity of knowing exactly what is going on. That is the way we should treat the people of this country. In closing, may I say I am strongly in favour of the amendment and I hope my hon. friends opposite will see the logic of it, though I am not too sure they will.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to add my support for this amendment. The hon. member for Calgary North (Mr. Woolliams) has made a valid point, something worthy of considerable thought when we contemplate our parliamentary procedure. We seem to want to cure problems these days by centralization. Recently a report on broadcasting suggested that broadcasting be brought under one company or operated under one network, which may have a point but nevertheless shows the tendency today toward centralization. More and more we want government to intervene in our lives. We are presently studying a competition bill which, if it is passed, will enable government to intervene further in our private lives and in private business.

This brings me to the point that the bureaucrats, who must of necessity administer legislation, are being given a great deal of power, and I do not think we have properly addressed ourselves to the question of how to curtail some of the excesses which are bound to occur, since these bureaucrats are just as human as we are. Sometimes regulations are made without much thought being given to them; they are made on the spur of the moment, and sometimes the bureaucracy is not even aware of what is happening out in the hinterland. Perhaps they cannot be faulted for that. After all, a minister is probably far too busy to be aware of everything going on in his department, and one cannot expect otherwise. Nevertheless, we should try to do what we can to scrutinize orders in council before they are passed.

I understand that over 3,000 orders in council were passed last year by the federal government, and in addition many were passed in the provincial field. We have recently been discussing metrication, and the MLA's in my own province were unaware that the government of Manitoba had already introduced the metric system in the surveying field. I understand a similar situation exists in Saskatchewan.

This amendment provides a means whereby there would be a fairly routine laying on the table of regulations and orders in council in a specified form. I am sure that 99 per cent would go unchallenged, but at least they would be readily available so parliamentarians would observe them. No doubt some members of parliament would find something out of line in an order in council, and although this would not occur very often it would at least eliminate any untoward orders in council. I think this procedure would be a salutary one, those who draft these orders in council, who would have to be more sure of themselves, and in regard to making members of parliament take an interest in orders in council which affect their constituents.

I am not a lawyer, Mr. Speaker, but I understand that it is important that orders in council having to do with the Criminal Code be closely scrutinized. Although this can be said to be the case in all areas of government, it is particularly so in the case of the Criminal Code which needs to be clear and direct. I do not see how the adoption of this amendment would in any way change the Criminal Code as such. In this day and age when we are complaining about secrecy in government, when we are unfamiliar with the vast amounts of orders in council which are passed and with regulations which must necessarily issue from the various departments, this is a welcome departure and may well serve as a model upon which to base further legislative action.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I intend to enter this debate only briefly to deal with questions which have arisen on the motion of the hon. member for Calgary North (Mr. Woolliams). This amendment merely seeks to provide the vehicle by which parliament has some access to decisions regarding legislation which are taken behind the green, felt covered doors of government orders in council.

The interesting thing is that this debate has not been exclusively confined to lawyers, as is quite often the case when the Criminal Code is discussed. The hon. member for Dauphin (Mr. Ritchie) who last spoke is a medical doctor. The member who preceded him is a leader in what I guess I could call the tender fruit industry of British Columbia. Perhaps this is indicative of the fact that the concern which exists regarding the attitude of government generally respecting orders in council is now spreading beyond the legal profession to members of the Canadian public who have not been burdened with a legal education. I think that is very important.

There is no doubt that one of the things which concerns anyone living in a free society is the tendency today for government not to disclose information, or to be hesitant to do so, particularly government in the Canadian parliamentary system, hampered as we are in terms of information by the doctrine of ministerial responsibility which is only observed when it is convenient to do so. This is buttressed by the document released yesterday by the Secretary of State (Mr. Roberts), the green paper on freedom of information, which has been condemned generally as not pointing the way to freedom of information at all, but contains much finer language than heretofore sustaining the rights of government not to disclose.

● (1550)

It becomes extremely important when the statute parliament is dealing with is an amendment to the Criminal Code. It is not an amendment to the Weights and Measures Act nor an amendment to the Small Loans Act. It is an amendment to the Criminal Code, the effect of which can deal with the lives of all subjects in one way or another. Protection has been given to everyone—the blackest and the whitest among us in terms of reputation—by the doctrine that one is presumed innocent until proven otherwise. The same buttress against authority, or the same kind of protection, is intended by the hon. member for Calgary North. He is not saying that governments cannot act by orders in council and that there is not a place for orders in council. There is a place for orders in council in a complex society. We have to change our procedures in terms of the House of Commons, and governments have a great myriad of problems to deal with as well.

The hon. member is saying in his amendment that when there are orders in council passed under this unusual statute, this parliament should be apprised of them; that they should be made known to parliament as the people's representatives; that they should be tabled in the House; and that parliament should have an opportunity to deal with them, just as it would deal with any amendment to the Criminal Code. We are now openly discussing an amendment to the Criminal Code in this House. If there is no reason on the face of orders in council as to why they ought not to be dealt with, then they would not be dealt with and would stand. If there is some reason on the face of orders in council for dealing with them, then they would be dealt with.

The hon. member for Calgary North has not made an unreasonable case. The amendment calls for the order in council to be laid before parliament within 15 days after it is made, and if parliament is not sitting, then 15 days after parliament begins to sit.

The amendment continues as follows:

> ... every order in council, regulation, or form shall be subject to affirmative resolution of parliament and shall not come into force until published in the *Canada Gazette*.

That does not say anything, except this: in a subject matter as important as criminal law, the Parliament of Canada ought to have the say and ought to be able to review what bureaucracies have done, even though orders in council can be signed by someone other than a bureaucrat, which is not an unusual or improper suggestion to make to the House. That is the purpose of it, and I hope the government will support it. If it does not support it, I have to ask myself why not?

Perhaps there are a number of members of this House who disagree with this, including members of my party; but I cannot understand why the very important procedure of an affirmative resolution is alien to the thinking of some members. I hope hon. members on the other side will not vote against the amendment because it happens to be an opposition

amendment. Whether we support a government or whether we are members of an opposition, members ought to look at the rights of each of us as representatives of the people.

I am aware of the doctrine that everyone is deemed to know the law. That is great for lawyers, that is great if you happen to know the law, and it is necessary for the proper administration of justice. But it is a devil of a thing for the fellow who is innocently caught in a situation, which can happen quite often.

I shall conclude my remarks because I do not believe there is another speaker from this side of the House and I do not want to hold up consideration of this amendment. I hope hon. members on the other side of the House will consider the propriety of the amendment and the spirit in which it is moved. Even though there may be members on either side of the Chair who disagree with the amendment proposed by the hon. member for Calgary North, I hope they reconsider their opposition to this important amendment.

Mr. Patterson: Mr. Speaker, I do not know if there has been any agreement—

Mr. Baker (Grenville-Carleton): There has been no agreement.

Mr. Patterson: Under those circumstances, I should wish to make some comments the next time the bill is before the House.

The Acting Speaker (Mr. Turner): It being four o'clock p.m., pursuant to the order made on Wednesday, June 29, 1977, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGES IN NAMES OF CERTAIN CONSTITUENCIES

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance) moved that Bill C-283, respecting the Electoral Boundaries Readjustment Act (Beauharnois-Salaberry); Bill C-392, respecting the Electoral Boundaries Readjustment Act (Brampton-Georgetown); Bill C-393, respecting the Electoral Boundaries Readjustment Act (Wellington-Dufferin-Simcoe); Bill C-394, respecting the Electoral Boundaries Readjustment Act (Huron-Bruce); Bill C-405, respecting the Electoral Boundaries Readjustment Act (Lethbridge-Foothills); Bill C-406, respecting the Electoral Boundaries Readjustment Act (Kootenay East-Revelstoke); Bill C-418, respecting the Electoral Boundaries Readjustment Act (Laval); Bill C-422, respecting the Electoral Boundaries Readjustment Act (London-Middlesex); Bill C-427, respecting the Electoral Boundaries Readjustment Act (Blainville-Deux Montagnes); Bill C-428, respecting the Electoral Boundaries Readjustment Act (Saint-Jacques); Bill C-429, respecting the Electoral Boundaries Readjustment Act (Saint-Léonard-Anjou); and Bill C-433, respecting the Electoral Boundaries Readjustment Act (Cochrane North) be read the second time and, pursuant to the order made Wednesday, June 29, 1977, be referred to the committee of the whole House.

Motion agreed to, Bills Nos. C-283, C-392, C-393, C-394, C-405, C-406, C-418, C-422, C-427, C-428, C-429 and C-433 read the second time, and the House went into committee thereon, Mr. Turner in the chair.

The Deputy Chairman: Shall clauses 1 carry?

Some hon. Members: Agreed.

Clauses 1 agreed to.

The Deputy Chairman: Shall the titles of the bills carry?

Some hon. Members: Agreed.

Titles agreed to.

The Deputy Chairman: Shall the bills carry?

Some hon. Members: Agreed.

Bills carried.

The Deputy Chairman: Shall I report the bills?

Some hon. Members: Agreed.

Bills reported.

The Acting Speaker (Mr. Turner): When shall the said bills be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Kaplan moved that Bills Nos. C-283, C-392, C-393, C-394, C-405, C-406, C-418, C-422, C-427, C-428, C-429, and C-433 be read the third time and do pass.

Motion agreed to and Bills Nos. C-283, C-392, C-393, C-394, C-405, C-406, C-418, C-422, C-427, C-428, C-429, and C-433 read the third time and passed.

• (1600)

Mr. Kaplan: Mr. Speaker, it was also part of the unanimous agreement that we proceed to the report stage and hopefully third reading stage of Bill C-256 to amend the Criminal Code, which stands in my name.

* * *

HOBBY PROTECTION ACT (NUMISMATIC)

EXTENSION OF CURRENCY COUNTERFEIT LAWS

The House proceeded to the consideration of Bill C-256, to amend the Criminal Code (counterfeit of rare coins and

notes), as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance) moved:

That Bill C-256, An Act to amend the Criminal Code (counterfeit of rare coins and notes), be amended in Clause 2 by striking out line 22 at page 1 and substituting the following therefor:

"minimum of six millimetres (6.0 mm), and everyone who commits an offence under this part with respect to counterfeit money as defined in this paragraph (g) is guilty of an offence punishable on summary conviction."

He said: Mr. Speaker, I think a word of explanation might be in order. At the committee hearings on this bill it was noted that the penalty provided in the Criminal Code was that in every case counterfeiting of rare coins pursuant to this amendment would have been an indictable offence. Members of the committee suggested to me that I make some effort to come up with an amendment which would have the effect of making the offence alternatively an indictable offence or an offence punishable on summary conviction. Accordingly, I prepared this amendment, consulted with some members of the committee, and tabled it to give effect to the undertaking that I gave at the committee that I would make an attempt to alter the penalties provided under this bill.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Numismatic Counterfeits

Mr. Kaplan moved that Bill C-256, to amend the Criminal Code (counterfeit of rare coins and notes), as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Turner): When shall the bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

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

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the speed with which we are passing bills this afternoon, why do we not sit for another half hour and finish the session?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Shall we call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Order, please. Pursuant to the order made earlier this day, it being five o'clock, this House stands adjourned until Monday, July 4, 1977, at 2 o'clock p.m. pursuant to Standing Order 2(3). Have a good weekend.

At 4.05 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, July 4, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX

DEDUCTIBILITY OF CERTAIN QUESTIONABLE ITEMS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of press reports that an official of the Department of National Revenue has confirmed that the costs of forms of prostitution are subject to tax write-offs under section 18 of the Income Tax Act as a business expense, and taking into consideration that those who take advantage of this tax break are deriving pleasure at other taxpayers' expense, I should like to move, seconded by the hon. member for Leeds (Mr. Cossitt):

That this House directs the Ministers of Finance and National Revenue to launch an immediate investigation into reports that section 18 of the Income Tax Act is being used to write off the costs of pleasures obtained at massage parlours and houses of ill repute as business expenses and that should this be the case, the government should not allow these items to be used for tax write-offs.

Mr. Speaker: Presentation of such a motion for debate can be done only with the unanimous consent of the House, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: No.

* * *

URBAN AFFAIRS

FAILURE TO INVITE ELECTED REPRESENTATIVES TO OPENING OF SENIOR CITIZENS' HOUSING PROJECTS IN REGINA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of pressing necessity arising from last week's official opening in Regina of two senior citizens' housing projects where the federal authority was not officially represented by the members of parliament for the area from Regina East or Regina-Lake Centre, but instead by Mr. Tony Merchant on the invitation of his sister, Mrs. Otto Lang. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House deplores the failure of the government to invite the elected representatives of the people and requests an explanation from the responsible minister, the Minister of State for Urban Affairs, that in future the federal authority be represented at such events by the elected representatives from the areas concerned, regardless of their political affiliation; and finally the House reminds the Minister of Transport and Mrs. Lang that, at least, as yet, they do not constitute the parliament of Canada, despite any wishful thinking that they may entertain.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to Standing Order 43, presentation of such a motion for debate can be done only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FIRST DOMINION CARILLONNEUR, PROFESSOR PERCIVAL PRICE

Mr. Speaker: I wonder if I might ask hon. members to join me in marking the presence of a very distinguished visitor in our gallery. On July 1, 1927 the magnificent carillon in the Peace Tower was dedicated and a recital was offered by the first dominion carillonneur, Professor F. Percival Price, who occupied that position from 1927 to 1939. Professor Price was with us last Friday, July 1, as a guest of parliament to celebrate this fiftieth anniversary and to hear the excellent recital of the present carillonneur, Mr. Gordon Slater, who is also present in the gallery. I wonder if hon. members would want to join with me in signalling the presence of this very distinguished gentleman.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BILINGUALISM

QUEBEC'S BILL NO. 1—GOVERNMENT ACTION TO PROTECT RIGHTS OF ENGLISH MINORITY IN QUEBEC

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to address a question to the Secretary of State, if I may, which concerns what I have to call double talk that we have heard over the last little while from the Prime Minister and the Secretary of State on national unity. On Saturday, the right hon. gentleman reportedly said the following: that he intends to leave the constitutional testing before the courts of

Bill 1 up to private citizens; and that he has no inclination to either reserve or disallow Bill 1. It would seem from all of this that what the Prime Minister intends to do is absolutely nothing with respect to Bill No. 1.

• (1410)

An hon. Member: Typical.

Mr. Baker (Grenville-Carleton): If this is not true, what action is the government prepared to take in the event that Bill No. 1 goes through unchanged in violation of one of the fundamental principles of the white paper on language presented by the Secretary of State, namely, that Canadian citizens have a right to educate their children in the language of their choice?

Hon. John Roberts (Secretary of State): To put it simply, the government of Quebec has indicated that there may be changes in Bill No. 1. That bill is now before the legislature, I understand, and therefore it would be premature to take any further action in regard to it until we know what the final position is to be.

Mr. Baker (Grenville-Carleton): I am concerned about whether the government will ever take any position no matter what the government of Quebec decides. I base this view on a statement made by the Prime Minister three years ago in response to Bill 22 when he said "I would accept a unilingual French Quebec". Presumably, underneath all the double talk and electioneering, the Secretary of State is saying the same thing today. Will the hon. gentleman tell the House what measures, if any, he intends to take to protect the English language minority in Quebec which has every right to the federal government's championship as do the language minorities outside the province.

Mr. Roberts: It is the purpose and preoccupation of the federal government that the context within Canada for the survival and flourishing of the French language and culture should be favourable but as I have made clear on every occasion, the federal government does not believe that the English minority in Quebec should be denied access to English-speaking schools.

Mr. Baker (Grenville-Carleton): That is a statement similar to the one made in the white paper on language. How does the government intend to enforce that right?

Mr. Roberts: It is, of course, the case that this statement was made in the white paper on official languages which was endorsed by the hon. gentleman's leader. It is clear that that white paper was an exhortation to the province to accept the principle of free choice.

Mr. Baker (Grenville-Carleton): No answer!

Mr. Chrétien: No question!

[Mr. Baker (Grenville-Carleton).]

ENERGY

CONSERVATION—HOME INSULATION PROGRAM—NAMES OF PROVINCES AGREEING TO CO-OPERATE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It relates to the statement he made last week concerning the government's home insulation program, details of which are exceedingly scanty. In view of the fact that the estimated cost of insulating an average home is $900 and the amount the government proposes to pay is $350, leaving $550 to be paid by the occupant of the house, which will be one of the major obstacles to making this program effective, I want to ask the minister which provinces have agreed to institute loans for the purpose of home insulation. Also may I ask him whether, if provinces do not co-operate in the plan, does this mean that in those particular provinces not even a $350 taxable grant will be available to the residents of that province?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Perhaps I should make it clear at the outset that when he talks about the costs of reinsulating a house—the hon. member used such figures as $850 to $950—he is talking about an insulation job which would be done by a contractor. If an individual were to do it himself, it could be done for a great deal less. I believe that $250 to $350 should cover substantially all of the insulation material associated with such reinsulation.

As to the question about the provinces which have indicated they are prepared to add loans, to superimpose loans, or to associate loans with our grant program, that is presently under negotiation with a number of provinces. Ontario is a good example. The province made an announcement about this during the election campaign, but the actual details of that announcement, how their loan program might work, had not been worked out then and I am not sure whether they have been worked out yet. The province of British Columbia did have a loan program which was administered by its public utilities commission. I believe the province of Manitoba had a loan program, and other provinces have been considering it, but this is part of the discussion which will take place between now and the September 1 deadline for the introduction of the program.

CONSERVATION—HOME INSULATION PROGRAM—POSSIBILITY OF MAKING EFFECTIVE DATE RETROACTIVE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the program does not come into effect until September 1 and since the program can be most effective if work can be done during the summer months, has the minister given any consideration to making the date retroactive so that any individuals who choose, and qualify otherwise, to insulate their homes during the summer months, even if they have to wait until after September 1 to be paid, can do so under the plan, or would the minister be prepared to adjust the

plan to do that so that as many people as possible can start insulation at present?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We did consider that particular suggestion but it was ruled out when a very close examination was made of the administrative complexities that such retroactivity would introduce. We also feel that a period between now and September 1 is a good period for those who would not qualify in the first round. As the hon. member knows, the program will be made available to those who own or occupy houses which are the oldest 20 per cent of the housing stock in the country, and that will take a little bit more than a year to complete. I am sure there are many other Canadians who will want to take advantage of insulation supplies to insulate their houses without the benefit of the loan program because of the savings involved. I would recommend that those persons purchase their insulation during this two month period.

CONSERVATION—HOME INSULATION PROGRAM—POSSIBILITY OF INCLUDING TENANTS IN PROGRAM

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that there is nothing in this program to assist renters in insulating their residences, as is shown by the program which the government has been carrying on in Prince Edward Island and Nova Scotia where 40 per cent of the residences were occupied by tenants but 97 per cent of the grants went to homeowners, has the minister any program within this policy by which those who are in rented accommodation, and who need to reduce their energy costs just as much as homeowners, could be assured of assistance?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We do anticipate that this will be possible, that renters will be able to take advantage of this program one way or another. We have been criticized in some quarters for trying to intrude into provincial jurisdiction. We have been trying to point out to the provinces, on the other hand, that unless certain actions are taken by them with respect to the landlord and tenants act or with respect to certain rent control practices, there will not be an incentive for the owner to reinsulate his house and therefore provide the benefit to the tenant. That is a very important part of the program as far as we are concerned and we hope the provinces will take the necessary measures to qualify.

* * *

● (1420)

AIR CANADA

REMOVAL OF NATIVES FROM AIRCRAFT—REQUEST FOR REPORT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Transport. Is he in a position today to make a statement to the House on the very unfortunate incident which occurred at the Ottawa airport? A number of native persons were removed from an Air Canada aircraft for the alleged reason that those people were of native ancestry. Serious charges of discrimination have been levelled against the airline. Is the minister prepared to make a statement in that regard?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, Air Canada has clearly indicated that the ancestry of the group had nothing to do with the fact that there was an overbooking, and certain people, therefore, could not be carried. Air Canada tried to make arrangements which were suitable to ensure that those people were taken care of in the interim and then put on alternate flights, but the incident had nothing to do with any particular background of the group.

Mr. Oberle: Mr. Speaker, I wonder if the minister could tell the House why people who had already assumed their seats on the aircraft, people who had confirmed reservations, were removed in this sorry situation and why people who had not yet boarded the aircraft were not told that the aircraft was overbooked.

Mr. Lang: Mr. Speaker, as far as I know at the present time it was part of the routine procedure for dealing with overbooking, but I will be glad to look into that further to see whether there were any special circumstances.

Mr. Oberle: It being apparent that the native persons involved through their national association are seeking redress in the courts by way of charges of discrimination, has the minister sought the advice of the Department of Justice as how the airline will behave in court with respect to this matter?

Mr. Lang: The Department of Justice would not ordinarily be involved.

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AIR TRANSPORT

OVERBOOKING BY AIRLINES—GOVERNMENT ACTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the minister used the phrase "routine procedure". I hope he does not mean that overbooking is routine, because those of us who travel know that that has become all too prevalent a practice. Would the minister agree that the problem is serious and that something should be done to prevent an airline from overbooking, which in itself is an offence under law?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is a serious problem in trying to have airlines move at capacity while still allowing people to reserve and cancel without notice at no charge to themselves. I have raised this matter with the airline, and I hope that Air Canada and other airlines will seriously consider the possibility of charging for an absolute reservation, a bumpable reservation and the like in order to make sure that people know what it is they are buying.

Oral Questions

AIR CANADA

REMOVAL OF NATIVES FROM AIRCRAFT—SUGGESTED INVESTIGATION BY MINISTER OF LABOUR

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in light of the very serious consequences of this action by Air Canada, in light of the fact that cries of discrimination and racism have been raised, given the fact that within the Department of Labour the Minister of Labour has the proper mechanism whereby he can investigate this type of charge and keeping in mind that we do not like these in-house investigations by which Air Canada can whitewash the whole thing, would the Minister of Transport now take it upon himself to discuss this matter with the Minister of Labour in order to see whether the Department of Labour can follow up this matter? Would the minister take that under advisement?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker.

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INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister set at rest the rumours and speculations which abound today in the press, radio and television and advise the House whether he intends to continue to try to pull the country out of the simply frightful economic mess the government has got it into, or does he intend to switch his allegiance and his energies to another political arena in the future?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Paproski: Yes or no?

Mr. Speaker: Order, please. The hon. member for Ottawa-Carleton.

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URBAN AFFAIRS

ALLEGATION GOVERNMENT OWES TAXES TO MUNICIPALITY OF OTTAWA-CARLETON—GOVERNMENT ACTION

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, may I address a question to the Minister of State for Urban Affairs. The major employers in most Canadian cities pay business taxes to the local municipality. In Ottawa the federal government is by far the largest employer and owns close to 40 per cent of the land, yet it does not pay business taxes at the same rate as other major industries. Can the minister explain the existence of a possible $18 million in non-paid taxes this year in the Regional Municipality of Ottawa-Carleton?

[Mr. Lang.]

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, the hon. member should know that some Crown corporations pay certain amounts of money to municipalities in lieu of taxes.

[*English*]

Mrs. Pigott: A supplementary question. I think there should be measures that the minister could consider to alleviate the situation whereby the average tax in Ottawa this year was $693, in Gloucester $990, in Toronto $597 and Hamilton $596. This shows the incredible pressure we are under in this area and I should like to know what the minister is going to do about it?

[*Translation*]

Mr. Ouellet: Mr. Speaker, when the Canadian government paid for the National Arts Centre, every Ottawa citizen was very proud of it, and I think that if one adds up all the expenditures made by the federal government for the city of Ottawa, one realizes that the people in Ottawa benefit substantially from the presence of the federal government in this city.

[*English*]

Mrs. Pigott: I find that very difficult to accept, Mr. Speaker. Never mind what is happening to the city of Ottawa, what is going to happen in Hull when 15,000 public servants move there? Is Hull going to have the same burden as Ottawa of non-paid taxes? What is going to happen to Hull?

* * *

PUBLIC SERVICE

SPLITTING OF UNIONS ON LINGUISTIC LINES—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the President of the Treasury Board. Is the minister aware of the decision of the Canadian Labour Relations Board which has split a national bargaining unit of the CBC along linguistic, cultural and sociological lines? As minister responsible for public unions, can he tell the House what the government intends to do about this very divisive decision which allows fragmentation of national bargaining units along racial lines and which if allowed to go unchallenged will become an invidious precedent for other elements within the Canadian Union of Public Employees?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I will take the hon. member's comments by way of a representation and give them full consideration but I am not in a position to give a definitive answer today.

CANADIAN BROADCASTING CORPORATION

REASON CORPORATION FAILED TO INTERVENE IN LABOUR BOARD HEARING TO PREVENT SPLITTING OF UNION ON LINGUISTIC LINES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I put my supplementary question to the Secretary of State. At this time in our nation's history when we are trying to pull this country together and keep it together, can the minister tell us, as minister responsible for the CBC, why the CBC did not intervene in the hearing before the CLRB and give its statement on the efficacy of national bargaining units rather than having units fragmented along linguistic and racial lines which opens up a whole new Pandora's box?

Hon. John Roberts (Secretary of State): Mr. Speaker, my answer would have to be similar to that given by the President of the Treasury Board: I will take the hon. member's representation into consideration and make inquiries of the CBC. I shall try to get him the information as quickly as possible.

Mr. Nowlan: A final supplementary question, Mr. Speaker. I appreciate in part the answers of the hon. ministers and I would have put the following question to the Prime Minister had he been in the House today. The national unity debate is to start tomorrow and I do not know if the Secretary of State intends to participate. In view of the green paper on linguistic policy and minority rights, if the minister does intend to participate in the debate I wonder if he could give the answer at that time because it will obviously be a little more involved than is allowed within the parameters of the question period?

Mr. Roberts: Mr. Speaker, I would hope that if I catch Your Honour's eye, and if hon. members wish to hear me, that I will be able to speak in the debate and give some sort of response to the hon. member.

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CONSUMER AFFAIRS

FOOD POLICY—PROPOSED STUDY OF PROCESSING, DISTRIBUTION AND RETAIL SECTORS—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question for the Minister of Consumer and Corporate Affairs concerns the government's food strategy that he announced jointly with the Minister of Agriculture some days ago in the House. In light of the fact that an understanding of the processing, distribution and retail sectors will be essential to the formulation of any successful food policy, has the minister and his department set up an intensive and comprehensive study of this matter?

● (1430)

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I simply reply that, as the hon. member says, these are key areas in the system. I had several discussions with officials of my department, both before and after the announcement of the food strategy, and we are planning a number of studies in the areas the hon. member mentioned.

Mr. Grafftey: A supplementary question, Mr. Speaker. Since one out of four jobs in Canada depends directly or indirectly on the food industry and agriculture; since the president of one of Canada's largest food processing companies has stated that his company's next capital investment will be made in the United States because economic conditions in this country are poor; and as 16 of 17 processing plants in the Niagara Peninsula closed down between 1965 and the present, does the minister not believe that more intensive studies must be undertaken of the food distribution and processing industries so that we may maintain the remaining jobs in that industry in Canada, and a healthy economic climate?

Mr. Abbott: Mr. Speaker, I acknowledge at once that this industry is probably the most basic and vital of the whole economy, inasmuch as our consumers spend between 20 cents and 25 cents out of every dollar on food. Therefore I agree that in this area we must develop studies as rapidly as possible.

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FINANCE

TAXING OF BENEFITS FROM LIFE INSURANCE POLICIES—GOVERNMENT POSITION

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Finance. Are significant measures being taken to satisfy the very real concerns of the Canadian Life Underwriters Association and the public in general regarding tax legislation on life insurance benefits payable to widows, orphans and other survivors of policy holders, as introduced in the last federal budget?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I invite the hon. gentleman to read the bill now before the House.

An hon. Member: You are reaching into the grave.

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POST OFFICE

ALLEGATION UNION DENIED ACCESS TO MEANS OF COMMUNICATING WITH MEMBERS—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Postmaster General. Since negotiations between the Post Office Department and the Canadian Union of Postal Workers have broken down; since this breakdown in the negotiations was caused by the Post Office Department's attempt to interfere in dealings between the membership of CUPW and its leadership, can the minister tell the House if he has instructed his officials to permit CUPW leaders access to means of communication to inform their membership of negotiations both during and outside working hours?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, there has never been any interference with the possibility of the union communicating with its workers relating to any subject matter, including the negotiations. I take strong exception to the hon. gentleman's allegation that the cessation of negotiations was caused by the Post Office Department. The cessation was directly unilateral on the part of CUPW, whose members stormed out of the negotiation sessions, for the alleged reason of making application to the PSSRB, which has now been adjourned to September. The Public Service Staff Relations Board indicated that there is nothing in the application to prevent CUPW from returning to the negotiating table. Evidently they are not ready to do that, and their reasoning is completely unknown to me.

BREAKDOWN OF NEGOTIATIONS WITH UNION—PROPOSED REFERENCE TO COMMITTEE

Mr. John Rodriguez (Nickel Belt): A supplementary question, Mr. Speaker. Since the Postal Union has documented many cases of the Post Office's interference in union activities, interferences such as refusing to allow union publications to be posted and distributed to the membership; and since postal workers had actually documented cases of the Post Office's issuing conflicting bulletins to union members, can the minister tell the House whether—

An hon. Member: Look who's talking.

Mr. Rodriguez: Just be quiet.

Some hon. Members: Oh, oh!

Mr. Rodriguez: —can the minister tell the House whether he is now prepared to have a parliamentary committee look at the impasse which has occurred between CUPW and the Post Office Department?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, the facts are quite to the contrary. CUPW has had seven sessions before the Public Service Staff Relations Board and has been invited to catalogue those particular allegations or those particular—

Mr. Rodriguez: Answer the question.

Mr. Blais: —cases which the hon. member has alleged. But the union has been unable to do that, because there are no such cases, Mr. Speaker. The Post Office Department has always been most interested in having instant and increasing communication between the workers and the Post Office Department. The hon. gentleman should check his facts.

Mr. Rodriguez: Answer the question.

Mr. Grafftey: We want Bryce.

Mr. Blais: If the hon. member will read the transcript of the proceedings before the Public Service Staff Relations Board he will see that the allegations he advances are completely groundless.

Mr. Rodriguez: A final supplementary question, Mr. Speaker.

Some hon. Members: Resign, resign.

Mr. Rodriguez: Since the Postmaster General is substituting bluster for fact, is he prepared, since he did not answer the question I asked and he is so confident the facts are on his side, to submit the impasse to a parliamentary committee for investigation?

Mr. Blais: Mr. Speaker, I answered a similar question on Thursday, asked by the hon. member for Brandon-Souris. I wish the hon. gentleman had been here to listen to the reply.

Mr. Rodriguez: I was.

Mr. Blais: Perhaps he should read *Hansard* of that day.

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ADMINISTRATION OF JUSTICE

ALLEGATION JAMES KENNEDY INCARCERATED WITHOUT BEING CHARGED

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Acting Minister of Justice. It concerns the denial of basic human rights to one James Kennedy who has been held in a maximum security institution in Vancouver for over five weeks without charge, on the strength, as the Minister of Manpower and Immigration said on Thursday, of reasonable grounds for believing he is somebody else. I ask the Acting Minister of Justice, is this the sort of treatment it is this government's policy to mete out to any landed immigrant? In other words, can anyone be locked up in this manner without charges being laid?

Mr. Paproski: Is there no acting minister who can stand up and reply?

Mr. Clarke: Apparently there is no Acting Minister of Justice.

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GOVERNMENT ADMINISTRATION

AUTHORITY FOR NEW FINANCING ARRANGEMENTS FOR CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the President of the Treasury Board. Reports circulated recently say that the Canadian International Agency, CIDA, has obtained a new deal whereby it will be able to spend funds without referring all cases to Treasury Board. Bearing in mind the terms of the Financial Administration Act, can the minister say under what authority these new arrangements were made and if they were entered into to compensate for the lapsing fund arrangement under which CIDA benefited heretofore?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I understand that the new administrative processes applying to certain CIDA expenditures are totally within the Financial Administration Act and indeed there was, as a parallel consideration, the elimination of the ability or authority of CIDA to carry forward lapsing funds, for a cumulative effect. That was, in my opinion and the opinion of others, an impossible situation which should not be allowed to continue. These arrangements were not trade-offs, in that sense. They were part of the general reorganization of the structure or process.

GUIDELINES FOR ACCOUNTABILITY OF CANADIAN INTERNATIONAL DEVELOPMENT AGENCY TO PARLIAMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary question concerns the terms and conditions set forth in the guidelines Treasury Board drew up for CIDA to follow. Is the minister satisfied that CIDA should be both judge and jury with respect to its compliance with these guidelines? In these conditions, what sort of accountability to Parliament and the Auditor General are we going to see after the fact, after CIDA has spent the money? Is the minister satisfied that this procedure will be okay?

Hon. Robert K. Andras (President of the Treasury Board): Yes, Mr. Speaker. I doubt whether an elaboration on that matter is possible in a short answer given during the question period. I will be glad to inform the hon. member in much more detail how this process will work and why I feel reassured that there will be sufficient follow-up and respect for parliamentary authority.

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FISHERIES

PROPOSED JOINT CANADA-UNITED STATES MANAGEMENT COMMISSION FOR GEORGES BANK—DATE OF IMPLEMENTATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. Since eastern Canadian premiers and New England governors have agreed on the need for a joint commission to manage fish stocks in the disputed Georges Bank-Gulf of Maine area, an agreement which would take into consideration the historic co-operation of both countries' fishermen on the rich fishing grounds, will the minister say when this joint management proposal will be regularized? Second, will the minister indicate what progress is being made to determine the precise boundary between Canada and the United States?

• (1440)

Hon. Roméo LeBlanc (Minister of Fisheries): Mr. Speaker, the possibility of a joint management plan was advanced by our officials some months ago. In fact, we felt that separating the boundary question from the stocks which tend to move back and forth would simplify matters. This suggestion was not accepted by the United States authorities at that time. It may be, however, that the difficulty of arriving at easy solutions for fish stocks that do move around will appear to recommend this approach. Certainly we like that proposal.

Mr. Crouse: In view of the valuable scallop, lobster and groundfish resource, will the minister consider making a proposal to his United States counterpart that the fisheries quotas on this bank be restricted only to American and Canadian fishermen, at least until such time as our deep sea fisheries stocks are restored above the sustainable level?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, given the fact that both countries have declared a 200 mile limit, it was felt that a joint management scheme could be the recommended approach. I might say in answer to the previous question that the boundaries matter has now entered a new phase of discussion between Canada and the United States. We should see some very serious negotiations going on in the next few months.

* * *

BANK OF CANADA

COST OF NEW HEADQUARTERS BUILDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. I have given him notice of the question. Can the minister indicate if he has at long last found out from officials at the Bank of Canada what exactly will be the final cost of the Bank of Canada building now being built on the south side of Wellington Street?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker. Just before coming into the House I received a statement from the Governor of the Bank of Canada. I will be glad to send it over to the hon. member.

Mr. Stevens: Mr. Speaker, I am sure many members of the House would be very interested in the overall figure for the cost of this building.

Some hon. Members: Hear, hear!

Mr. Stevens: Can the minister now indicate the total figure, including all furniture, architects' fees, vaults and so on for the building? While giving us that, will he indicate when he last had a figure with respect to the total cost of this building.

Mr. Macdonald (Rosedale): Mr. Speaker, with regard to the last question, subject to correction, I think it was my predecessor who last responded to a parliamentary question in this regard. I have the document here. The Governor has explained the situation on three pages. I would be glad to pass it over to the opposition.

Mr. Stevens: Mr. Speaker, the minister has indicated he has the document in his hands. Will he be good enough to table it for the benefit of all members of this House?

Mr. Macdonald (Rosedale): Mr. Speaker, I will be glad to table it. It is not in both official languages. If the House would be prepared to receive it on that basis, I would be prepared to lay it on the table.

Mr. Speaker: The tabling of such a document at this time would require the unanimous consent of this House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Darling: Mr. Speaker, I have a question for the Postmaster General. He has been playing musical chairs. He has been here, there and everywhere. He may now be behind the curtain. Possibly Your Honour could see me in a moment or two.

* * *

GOVERNMENT ADMINISTRATION

POLICY ON INVITING PERSONS TO REPRESENT GOVERNMENT AT OFFICIAL OPENING OF PROJECTS

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is to the Acting Prime Minister. Is it now government policy to permit the wives of cabinet ministers, such as Mrs. Otto Lang, to invite their relatives to officially represent the federal government at the opening of senior citizens housing projects or for that matter at any other federal projects? Will the government change this procedure to permit such functions to be performed by the federally elected representatives of this House, regardless of political affiliation?

[*Translation*]

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, it is always a very good thing to have diversity in the representation. I find it most edifying that some women are willing to support their husbands in politics.

[*English*]

REASON WIFE OF MINISTER OF TRANSPORT ASSIGNED TO INVITE PERSONS TO OPEN HOUSING PROJECT

Mr. Tom Cossitt (Leeds): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Will the minister advise whether the Minister of State for Urban Affairs, who is responsible for arranging federal participation at official openings of senior citizens' projects, requested him or any of his staff to deal with this particular occasion that I have mentioned? More specifically, can he clear up just how his wife was assigned to usurp parliamentary and federal government authority?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will have to check to see what route the requests in fact did follow. I want to tell the hon. member that the federal government was indeed very well represented by a member of the legislature from that area who performed his part very well. Tony Merchant did his usual good job in ensuring federal input into housing projects, which is not often recognized in other circumstances.

Some hon. Members: Hear, hear!

* * *

HOUSING

REASON FOR FAILURE TO ALLOCATE MORE MONEY TO RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State for Urban Affairs. It has to do with the $1.4 billion insulation program. How does the minister reconcile that $1.4 billion has been allotted to provide $350 grants when the Residential Rehabilitation Assistance program provides grants of up to $3,750 on loans for low-income families? It provides more than insulation. Why is more money not being extended to this program which would suit so many more people in Canada?

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I did not quite understand the series of figures quoted by the hon. member. I will check his question and answer in detail tomorrow.

* * *

[*English*]

HARBOURS

HALIFAX—NEED FOR SECOND CONTAINER PIER—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I wish to direct a question to the Minister of Transport about the often discussed second container pier for Halifax. The minister told me a few months ago he was not convinced that its time had come. Is the minister still of that opinion or is he now prepared to agree that it is urgently necessary for the development of that port?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I believe in reflecting back I said its time was coming and we would see when it had arrived. We have not yet made the decision of approving the additional money for a federal contribution, but I am still convinced that the time will come.

Mr. Stanfield: Mr. Speaker, I wish to ask the minister whether there is any connection between the ardour with which the federal ministers seem to be working to get Cast to return all its operations to Montreal and the coolness of the minister toward the Port of Halifax?

Mr. Lang: Mr. Speaker, it seems that the press reports indicate that the ardour does not rest with the federal ministers. Cast's return is in fact logical because that is where it

ought to be. Obviously, we have not been playing a particularly active role in ensuring that. We have been doing our usual job of trying to make sure that transportation in Canada develops according to the best advantage to all of Canada.

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF EXCEEDING FORECAST LEVEL OF EXPENDITURES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. There are reports which indicate that a good portion of the money which has been set aside for supplementary estimates has already been committed. Is the minister still optimistic about living within the level of forecast expenditures, as outlined in the 1977-78 fiscal year tabling of estimates? If not, can he indicate to the House any revised projections and, if so, when those projections will be coming forth?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, it is a tight fiscal framework with not sizeable reserves compared to previous years. Barring unforeseen eventualities, certain external happenings that could take place, as we indicated on previous occasions, we hope to meet our announced objectives and spending ceilings. I am still very optimistic we will stay within them.

● (1450)

Mr. Mazankowski: A supplementary question, Mr. Speaker. Is the minister saying that he is fully optimistic that he is going to be able to live within the so-called 7 per cent increase in federal government expenditures for this fiscal year?

Mr. Andras: Mr. Speaker, it is not going to happen without a lot of effort. It will be difficult to sustain the restraint during that period of time, but yes, I am optimistic that we will accomplish it.

* * *

POST OFFICE

REPLACEMENT OF PLACE NAME ON CANCELLATION STAMP WITH NUMBERS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I see the mailman has returned, so may I direct a question to the Postmaster General. Will the minister explain in detail how far his department will extend the abolition of cancellations which state the name of the post office where the letter is mailed, replacing this with unidentifiable numbers? The minister led me to believe that this would be restricted to metropolitan areas such as Toronto and Montreal.

Hon. J.-J. Blais (Postmaster General): No, Mr. Speaker, I cannot recall having said that it would be restricted to the metropolitan areas of Toronto and Montreal. I indicated that we would restrict it as much as possible. I share the hon. gentleman's distaste for numbers replacing names. However, when we are dealing with a concentration of services in major area postal plants, we have to identify the postal plants and sometimes it is impossible to give the name of one over the name of the neighbouring area. That creates more squabbles than using the postal code itself.

REASON FOR LARGE CROWD VISITING MAIN POST OFFICE IN OTTAWA

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am well aware of that but I am hoping that it will be restricted to those larger centres. My supplementary question is this. Could the minister inform the House of the reason for the overflow crowd visiting the main post office in Ottawa on July 1? Was it curiosity to see that monstrosity, or did most of them go there to pick up their mail which they could not get any other way?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I can see the hon. gentleman's tongue sticking out of his cheek. I am sure the hon. gentleman is very pleased, along with me, at the interest which the Canadian public is showing in the postal service and its mechanization. As he knows from having visited the Ottawa station, it is a very good one, very attractive. It is centrally located and we plan on having more open houses in order to familiarize the greatest number of Canadians possible with our postal services.

* * *

SPORT

REQUEST FOR INVESTIGATION OF USE OF DRUGS BY ATHLETES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of State (Fitness and Amateur Sport) and is further to a motion put last week. Realizing that the minister's concerns are more with amateur sports than with professional sports, and rightly so, but remembering the precedent setting legislation of the Minister of National Health and Welfare which interfered with professional football, would the minister advise the House whether or not she is aware that excessive and damaging amounts of drugs are distributed regularly by sports team managements to athletes, setting a dangerous precedent to our youth, a practice that prompted a director of the Canadian Foundation on Alcohol and Drug Dependencies to issue warnings to several CFL clubs, only to be fired for doing his job; and if she is not aware of this situation, could she undertake to initiate an investigation into the general extensive use of drugs in sports in Canada?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I feel that the hon. member has made a rather blanket statement, and in his broad net he may have captured some people in this country of whom we are rather proud. If he has any specific information dealing

with specific detail which I understand he has been informed of, I would be pleased to receive it and on that basis I will consult with my colleague the Minister of National Health and Welfare.

* * *

HEALTH

ALLEGED FIRING OF MR. McNICHOLL FOR WARNING TEAM MANAGERS ABOUT ENCOURAGING PLAYERS TO USE DRUGS

Mr. Otto Jelinek (High Park-Humber Valley): May I thank the minister of state for her answer and she can be assured that I will pass forward to her my information. May I direct my supplementary question to the Minister of National Health and Welfare. In view of the fact that Mr. Andre McNicholl was fired as the director of the Canadian Foundation on Alcohol and Drug Dependencies for warning the management of two CFL teams, namely the Ottawa Rough Riders and the Toronto Argonauts, for encouraging their players to use excessively damaging drugs and stimulants prior to their games, would the minister undertake to look into this matter and take steps to have Mr. McNicholl reinstated in his former position?

Hon. Marc Lalonde (Minister of National Health and Welfare): Well, Mr. Speaker, obviously I could not force any private organization in this country to reinstate somebody in a former position; but with regard to the particular allegations made by the hon. member, I will look into them. I am not aware of them at this time.

* * *

COMMUNICATIONS

POSSIBILITY RIGHT OF CITIZENS TO RECEIVE PROGRAMS ORIGINATING IN UNITED STATES TO BE CURTAILED

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of Communications. In light of the recently announced decision of the CRTC to refuse to renew the licence for the Arrow Lakes Television Society and other TV co-operative societies to carry channel 4 Spokane, I would ask the Minister of Communications whether she condones this type of interference in the citizen's freedom of choice, and whether she could advise the House if her department or the CRTC have plans similarly to curtail the freedom of citizens of Canada and other communities in Kootenay West presently receiving U.S. channels?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the freedom of citizens is very well protected right now by the regulating process of the CRTC.

[*English*]

Mr. Brisco: A supplementary question, Mr. Speaker. In light of the fact that the legal division of the CRTC has ruled that any co-operative society which is broadcasting on air instead of on cable American TV channels is, in effect, broadcasting a program without Canadian content, and in light of the fact that their licences will not be renewed this fall because they are broadcasting on air, will the minister explain why this is so when other societies can do the same thing off air?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I do not know the details of that decision by the CRTC, but I feel that it concerns the need to protect against undue competition those who hold licences to operate a station. However, I will examine the hon. member's question in full detail, but I must remind him that I am not in the habit of getting involved in the decisions by the CRTC.

* * *

[*English*]

TRADE

CANADA-UNITED STATES AUTO PACT—STEPS TO ENSURE ADDITIONAL BENEFITS TO CANADA

Hon. Herb. Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Has the minister met as yet with the automobile manufacturers to discuss with them the findings of the recently tabled Arthur report? I understand that such a meeting was to take place recently. If so, has the minister obtained commitments from them to increase their capital investment, research and development and purchases of automobile parts in Canada to levels more commensurate with sales of their automobiles in this country, as I think should be done? If so, what are those commitments? If that is not the case, what steps are the government taking to ensure that there will be suitable levels of benefits in these areas to add to those benefits which the auto pact has already brought to Canada in other areas of the automotive industry?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I had the opportunity to have a long conversation with all the automobile manufacturers last week, and we discussed the problem. We found that the auto pact has been very advantageous for Canada in the last 12 years. However, there is room for improvements, particularly in the investments to be made in Canada. The manufacturers have thus agreed to meet with department officials for a review of their mid-term investment plans, and we will then take decisions which will hopefully be in the best interests of that industry and Canada.

[*English*]

TRANSPORT

ESCALATION OF PENSIONS OF RETIRED RAILWAY EMPLOYEES—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport regarding the report of Dr. Noel Hall on railway pension plans in Canada, about which the government has done little except to refer the matter to railway management and the unions. In view of the fact that any action that management and unions might take will not do anything for Canadian National and Canadian Pacific railway workers already retired, and in view of the fact that these pensioners have had no escalation of their pensions at all in 1977, will the minister put pressure on both Canadian National and Canadian Pacific to bring in escalation of the pensions of their retired workers this year?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not sure that I accept the hon. member's suggestion that this could not be the subject of bargaining between the parties. However, my colleague the Minister of Labour is looking at the further action which the government ought to take and will be bringing forward proposals in due course.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the fact that many of these pensioners are actually dying off before anything is done, which makes it urgent to do something for the senior pensioners of all our railways, will the government take a special look at the problems of railway workers already retired?

Mr. Lang: Mr. Speaker, we certainly are very sympathetic to that, but I hope that the hon. member would not take pressure off the unions and management for dealing with it as well in their bargaining.

● (1500)

Mr. Paproski: Mr. Speaker, I rise on a question of privilege. It is with great pride, speaking on behalf of Canadians of Slavic descent, that I rise on a point of privilege to pay tribute to the magnificent and moving performance by the Shumka Dancers of Edmonton in the Canada Day celebrations viewed by millions of Canadians from coast to coast and filling us with the sense of the oneness of this great nation.

Mr. Speaker: Order, please. I wonder if the hon. member for Edmonton Centre (Mr. Paproski) really expects me to hear from someone on behalf of every group which took part in that three-hour show. I am sure there are other hon. members who would want to do so. I do not mean to be disrespectful, and I understand the sentiment behind every regional or ethnic group which participated in those celebrations, but if I extended to one member an opportunity to go on at some length in respect of one group, I would have to extend the same opportunity to every member. I think that would be an extension of a question of privilege.

Mr. Clarke: Mr. Speaker, I rise on a question of privilege. I understand it is not necessary for the ministry to answer questions at all, and I also understand there are times and instances which require ministers to be absent from the House. However, I refer to order in council, P.C. 1976-2303 of September 20, 1976, which names as acting ministers of justice, in the absence of the minister himself, the present Solicitor General (Mr. Fox), who was not present in the House today, and the present Minister of Indian Affairs and Northern Development (Mr. Allmand), a former solicitor general, who was also not in the House today. It involves very seriously the ability of ordinary members to carry out the duties which have been entrusted to them.

We had no response of any kind from a parliamentary secretary, and the Acting Prime Minister, whoever he was today, failed to intervene to indicate whether there was any acting minister of justice or not. In fact, there were 20 members of cabinet sitting there today, including the Acting Prime Minister, and they sat mute and let this question fall on the floor, while a Canadian resident who is here on a Canadian visa has remained in jail for over five weeks now without a charge and without a public hearing.

Mr. Oberle: Mr. Speaker, I rise on the same question of privilege. As Your Honour knows, this House has been preoccupied for the last three or four weeks with a series of very pressing questions relating to the responsibilities of the Minister of Justice (Mr. Basford) and the Solicitor General (Mr. Fox). The Minister of Justice was absent today, as were those ministers who carry his responsibilities in his absence, the present Solicitor General and the present Minister of Indian Affairs and Northern Development (Mr. Allmand).

Two weeks ago I laid before the Solicitor General information which is very critical and, in his words, affects the safety and lives of certain people I named to him. Having regard to the matter I raised in this House over the last three or four weeks, the matter relating to the break-in of L'Agence de Presse Libre du Québec, in Montreal, particularly the second break-in which we wanted to raise questions about today, and the matter in Vancouver where an immigrant has been locked up for over five weeks in unusual custody—shackled when he is taken outside—without a charge, without an application for extradition from any other country, and without a charge against this person from any other country, I cannot believe that these gentlemen are not absent by design. The Leader of the Opposition—

Some hon. Members: Where is he?

Mr. Paproski: He is in Verdun.

Mr. Oberle: —has required these gentlemen to announce an inquiry into one or all of these very serious matters. With these members absent there is no way this House can function. There is no way members on this side can fulfil the obligations they have to raise these matters, and get satisfactory answers as long as this kind of behaviour continues. I am sitting here with information which is very critical. I have the names of

persons alleged to have committed very serious crimes. Two weeks ago I asked the Solicitor General to give me guidance as to what I should do with this information. Today I wanted to ask him how much longer he expects me to sit on this information, having myself been threatened from an unknown source. This matter should be referred to an appropriate committee of the House and we should expect some kind of ruling from Your Honour.

Mr. Fairweather: Mr. Speaker, I am in a bit of a dilemma because of the ruling Your Honour made concerning the question of privilege proposed by the hon. member for Edmonton Centre (Mr. Paproski). I was not going to speak about any of the particular groups, but as a member of parliament I wanted to say something about those who are not usually heralded in events like this. I am referring to the technicians, artisans, painters, electricians and the staff of this House who had to go through considerable extra trouble because of the events of July 1. Perhaps we could recall those people when we reflect upon the events of July 1. Despite ourselves, many of us had quite a good time on Canada Day.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Fundy-Royal (Mr. Fairweather) will realize that under no circumstances would I permit him to do that.

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BUSINESS OF THE HOUSE

LENGTH OF SPEECHES IN DEBATE ON NATIONAL UNITY

Mr. Goodale: Mr. Speaker, in relation to the debate which the House will be taking up tomorrow and the next day in connection with national unity, there have been discussions involving both sides of the House about ways in which we might be able to accommodate as many members as possible who may want to speak in that debate. There have been indications that a great many members of this House will be anxious to take part in that discussion. We are exploring a number of ways in which they might be accommodated to the greatest extent possible.

At this stage we have obtained initial agreement as to the limitation of speeches during the course of that debate. I understand there is disposition in the House to make a House order directing that the first round of speeches be the normal 40 minutes in length, but that speeches after the first round be limited to 20 minutes in length.

Mr. Baker (Grenville-Carleton): Mr. Speaker, yes, that is so, I understand, from speaking with my friend, that the first speaker for the government will be the right hon. member in whose name the motion stands, the Prime Minister (Mr. Trudeau). I wish to inform the House that the first speaker for Her Majesty's Loyal Opposition will be the Leader of the Opposition (Mr. Clark). The agreement applies to those two, the leader of the New Democratic Party (Mr. Broadbent) and the first spokesman for the Social Credit Party. I have indicated that order of speaking for my friend, and I want to thank him and say that we agree with the limitation of 40 minutes for the four I have mentioned, and 20 minutes for speakers thereafter in the debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree with the proposal that speeches in the national unity debate, after the first round, should be limited to 20 minutes. I am also happy to confirm the statement just made, that the opening speaker for the New Democratic Party will be our leader, the hon. member for Oshawa-Whitby (Mr. Broadbent).

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, we have agreed on this: 40 minutes for each party leaders, and 20 minutes for other members.

[*English*]

Mr. Speaker: Agreed, and so ordered.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,408, 2,173, 2,226, 2,262 and 2,397.

[*Text*]

CADET UNIFORMS

Question No. 1,408—**Mr. Schumacher:**

1. Was a decision made by the Department of National Defence to issue safari-style uniforms to all branches of the Cadet movement and, if so (a) on what date (b) by whom?

2. Were members of the Cadet movement consulted in regard to the change and, if so (a) what are their names, ranks and locations (b) on what date (c) in what location did such consultation take place?

3. What is the physical and dollar value description of the existing stock of older-style uniforms?

4. What is the value of the existing stock of the safari-style uniform and how many are on order at the present time?

5. Has any opposition to the change been received by the Department and, if so (a) in what nature (b) by whom?

6. How many of the safari-style suits have been issued and what was the total cost to date?

Hon. Barney Danson (Minister of National Defence): 1. During the past two years there have been a continuing series of discussions between the Cadet Associations and the Department of National Defence concerning clothing for the Cadet Leagues. Following these discussions, the Minister of National

Defence, on 20 January 1977, announced that cadets would all be supplied with the bush jacket-style green uniform. The three leagues were given the opportunity to submit recommendations for modifications and additions to the new cadet uniforms to provide each cadet organization with distinctive item of dress.

2. Yes, on two occasions. (i) (a) Mr. W. J. Hodge, General Manager, Navy League of Canada. Mr. W. J. Brown, General Manager, Army Cadet League of Canada. Mr. A. MacDonald, Executive Director, Air Cadet League of Canada. (b) 30 Jan. 1974. (c) National Defence Headquarters. (ii) (a) Mr. J. E. Koyl, National President, Navy League of Canada. BGen E. G. Eakins, President, Army Cadet League of Canada. Mr. D. H. Arnett, President, Air Cadet League of Canada. (b) 6 Dec. 1974. (c) National Defence Headquarters.

3. $3,078,000—consisting of the residue of stocks used for issue to the Navy, Army and Air Force prior to integration. It is not in complete size ranges and consists mostly of adult sizes.

4. Seventy-eight thousand six hundred sets are being procured plus 30,000 sets of summer camp clothing for a total program cost of $7.6 million. 42 per cent of the total order has been delivered with a value of $3.2 million.

5. Yes. (a) By letter. (b) The Navy League of Canada and the Air Cadet League of Canada.

6. Eighteen thousand six hundred ninety-nine sets (less raincoats, sweaters and badges) issued to female Army and Air Cadets with a value of approximately $1.04 million.

INVESTIGATION OF IMMIGRANTS

Question No. 2,173—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, what was the number of federal employees engaged to investigate immigrants arriving in Canada?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Manpower and Immigration is concerned: Persons involved in interviewing applicants abroad as of December 31 (a) 185 (b) 179. Persons carrying out interviews at the points of entry in Canada of December 31 (a) 672 (b) 966 permanent and 32 casuals.

In so far as the Royal Canadian Mounted Police is concerned: the Royal Canadian Mounted Police do not investigate immigrants arriving in Canada per se. They, however, do engage in the security screening of prospective immigrants prior to the landing of the individuals concerned as a routine part of the immigration procedure. They also conduct investigations in relation to immigrants who are in Canada. These latter investigations are specifically in relation to immigrants who are, or are suspected to be, in Canada illegally.

Order Paper Questions

CUSO/SUCO

Question No. 2,226—**Mr. Herbert:**

1. In each of the past five years, how much has been contributed by the Canadian International Development Agency to the Service universitaire canadien outre-mer?

2. In each year, what percentage of the budget of SUCO was contributed by CIDA?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. CIDA contributes to the corporate-entity CUSO/SUCO and not separately to the Anglophone section (CUSO) or the Francophone section (SUCO). Over the past five years the contributions to CUSO/SUCO were as follows: 1972-73, $6,700,000; 1973-74, $7,300,000; 1974-75, $7,308,900; 1975-76, $8,376,000; 1976-77, $9,100,000. The CIDA contribution was allocated internally by the CUSO/SUCO Board of Directors as follows:

	CUSO	SUCO
1972-73	60.0 per cent	40.0 per cent
1973-74	66.9 per cent	33.1 per cent
1974-75	69.5 per cent	30.5 per cent
1975-76	68.2 per cent	31.8 per cent
1976-77	68.7 per cent	31.3 per cent

2. As allocated internally by the CUSO/SUCO Board of Directors, CIDA's contribution to the total operations of SUCO was as follows: 1972-73, 46.8 per cent; 1973-74, 55.5 per cent; 1974-75, 57.6 per cent; 1975-76, 41.3 per cent; 1976-77, 40.4 per cent.

DELIVERY OF POSTAL GROUP BOXES

Question No. 2,262—**Mr. Bawden:**

1. Are postal areas or depots, in the Calgary South Area, to be served by group boxes and, if so (a) which ones (b) what are the distances between the location of the boxes and the households?

2. Was there a delay in the shipment of group boxes and, if so, for what reason?

3. Will any contractual penalty be incurred by the supplier of the group boxes for non-delivery or late delivery and, if so, of what nature?

4. What are the operational functions required before such boxes can be made operational?

5. What is the name and location of the supplier of boxes?

6. Will the group boxes, installed in or near new developments in the Calgary South area, be replaced by letter carrier walks and, if so, on what date?

7. In the Calgary South area, what is the time delay in the (a) recognition that a new development requires group boxes and when orders are placed with the supplier (b) placing of orders for the delivery of such boxes and the installation near the respective new development?

Hon. J.-J. Blais (Postmaster General): 1. Yes. (a) Woodlands, Canyon Meadows, Oak Ridge, Braeside and Pumphill subdivisions. (b) Generally not exceeding two to three blocks.

2. There was no delay in the shipment of group boxes by the supplier.

3. No, due to the fact that the supplier adhered to all terms and conditions of the contract. Shipments of boxes commenced two weeks prior to scheduled delivery on contract.

4. Painting, numbering and locating them on suitable sites.

5. Rousseau Metal Inc., P.O. Box 490, Saint-Jean-Port-Joli, Quebec G0R 3G0.

6. Constraint limits on manpower growth preclude us from extending letter carrier routes to these areas at the present time.

7. (a) Recognition of the requirements of group boxes in new developments is a continuing process, and orders for boxes are made a year ahead. (b) Delivery of boxes from existing stock and installations would take approximately three weeks.

FORMER MEMBERS OF PARLIAMENT RECEIVING PENSIONS

Question No. 2,397—**Mr. Isabelle:**

How many former Members of Parliament are presently receiving pensions from the House of Commons and, in each case, what (a) is his/her name (b) was the number of years of service (c) is the annual amount received?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): As of March 31, 1976, 230 annual allowances were being paid to former members of parliament. Of these, 88 have become payable since the establishment of the new plan in 1970. (a) See the answer to question No. 2,191 given on May 2, 1977. (b) The average number of years of service on which these 88 pensions are based is 11.75. (c) The average annual allowance is $7,212.64.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 1,781 and 2,210 could be made orders for returns, these returns would be tabled immediately.

● (1510)

Mr. Baker (Grenville-Carleton): I wonder why these questions are being made orders for returns, rather than being answered in the normal way. Is it so they will not appear in *Hansard*?

Mr. Goodale: As hon. members can tell from the bulky documents I am holding in my hand, the reason is obviously the lengthy nature of the answer in each case.

Mr. Speaker: Is it agreed that these questions be made orders for returns?

Some hon. Members: Agreed.

[*Text*]

CANADA PENSION PLAN

Question No. 1,781—**Mr. McKenzie:**

1. By province and territory, and for the whole of Canada, for each fiscal year 1966 to 1976, what amount of money was (a) contributed to the Canada Pension Plan Account (b) paid from the Canada Pension Plan Account to beneficiaries (c) expended, on a pro rata basis, from the Canada Pension Plan Account on administration of the (i) Account (ii) Canada Pension Plan Investment Fund (d) invested by the Canada Pension Plan Investment Fund in provincial securities?

2. For the same years, with regard to the amount of money contributed to the Canada Pension Plan Account that is greater than the amount disbursed to beneficiaries and on administration, what proportion (a) of the excess of contributions less disbursements, was invested in securities of a province (b) was not invested and to what use was it put?

3. For the same years, by province and territory and for Canada, how many separate issues of federal and provincial securities have been purchased by the Canada Pension Plan Investment Fund and, in each case (a) what is the date of issue (b) what is the rate of interest (c) what are its terms (d) on what dates are interest payments due (e) what are its repayment provisions?

4. With respect to the payment of interest and the repayment of the principal amount, are all issues of securities in good standing?

5. Does the government or any provincial government finance the payment of interest on any securities outstanding, with the issue of new securities and, if so, which governments?

6. Is there a point at which it would be financially inadvisable to allow a government to finance either payments of interest or repayments of principal by issuing new securities and, if so, to what indicators would the administrator of the Plan refer in establishing this point?

Return tabled.

DOCUMENT "SECURITY CLEARANCE REQUIRED FOR EMPLOYMENT"

Question No. 2,210—**Mr. Cossitt:**

1. Did the Department of Energy, Mines and Resources issue a document numbered 2860-0 and marked "confidential" on April 26, 1976, signed by Mr. R. P. St. John on the subject of "Security Clearance Required for Employment" and, if so, was the document circulated to Assistant Deputy Ministers, Directors General, Directors and Senior Advisors?

2. Did the document state in part that "a basic security clearance of 'confidential' is therefore required in the Department of Energy, Mines and Resources, even in circumstances where the person concerned does not have access to classified material" and, if so (a) what are the reasons justifying such a move (b) is this part of a new departmental or government policy to investigate more closely the private lives of public servants and what are the reasons for doing this?

3. (a) How many employees of the Department have been fingerprinted in connection with this security programme (b) on what date did the programme begin and on whose instructions?

4. (a) What is the total number of departmental employees originally scheduled to be fingerprinted (b) has the number been changed and, if so, what is the present figure?

5. Did the memo by Mr. St. John state that Assistant Deputy Ministers, Directors General and Directors require security clearance of "top secret" and that their Deputies require security clearance of "secret" and, if so, what are the names and job designations of those who (a) have (b) have not completed the security clearance forms?

6. What are the names and job designations of all such persons who have been (a) fingerprinted (b) originally ordered to be fingerprinted (c) remaining to be fingerprinted?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

Hon. Bud Cullen (Minister of Manpower and Immigration) moved that Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequences thereof, be read the third time and passed.

Mr. Alexander: I rise on a point of order, Mr. Speaker. Knowing the way in which the hon. member for Nickel Belt (Mr. Rodriguez) often takes the opportunity afforded him by the rules as being the first to speak on this side, I just want to let Your Honour know that under Standing Order 31 I intend to speak on behalf of Her Majesty's Loyal Opposition, thereby circumventing the hon. member.

Mr. Speaker: I would indicate to the hon. member for Hamilton West (Mr. Alexander) that the proper time to raise this very interesting point is at the conclusion of the minister's speech, not at the beginning of it.

Hon. Bud Cullen (Minister of Manpower and Immigration): Mr. Speaker, many long and intensive hours have been devoted by members of this House to the detailed consideration of Bill C-27 both during the hearings of the standing committee and at the report stage. Now that we have arrived at third reading, it seems to me appropriate to set the main provisions of Bill C-27 in perspective. I also think it desirable to take this opportunity of setting the record straight on errors and misrepresentations which have been made about the bill.

The first objective of the bill is to improve the quality of the employment related services of the federal government to Canadians. This is reflected in our proposal to integrate the Unemployment Insurance Commission with the Department of Manpower and Immigration. Undoubtedly, this will help to ensure better access to such services, better identification of needs and a better delivery system through integrated, personalized services in one location under a unified management. The amendments will also provide an improved framework for the achievement of a better balance between service and control in the administration of the unemployment insurance program, and the commission will be reviewing all existing service and control measures with a view to improving them both and achieving an optimum balance between the two. The integration of the two organizations will also promote the development of more pertinent and more coherent employment and income protection policies and programs. In this latter respect, I think our proposal to extend the commission form of management, which ensures adequate participation of the private sector, both labour and management, to the entire spectrum of employment services is particularly fitting.

The second, and complementary, objective of Bill C-27 is to streamline and improve the unemployment insurance program in order to make it more responsive to present economic circumstances. One area of such improvement will be the unemployment insurance benefit structure, which will be simplified and more equitable. It will also be better adapted to regional economic conditions, particularly as a result of the amendment I have made to add additional regional extended benefit entitlement in regions of high unemployment. Similarly, the variable entrance requirement will make the unemployment insurance program more sensitive to regional differences. We have been told that a variable entrance requirement is a major departure from the previous so-called concept of equality of access to the program and that it will balkanize the country and threaten its unity. When the NDP opposes the variable entrance requirement, they ignore the fact that workers living in areas of high unemployment face greater difficulties not only in finding employment but also in holding on to jobs. This is indicated in the statistics we have already circulated together with my statement on April 26 showing the higher proportion of short-term attachments in regions of higher unemployment. Among the murky misrepresentations made by members of the NDP on the variable entrance requirement there was one ray of light that came from the hon. member from Brant (Mr. Blackburn). He supported the notion that the entrance requirement could be increased when unemployment decreases. This is, of course, precisely what the variable entrance requirement does.

The representations made by the hon. member for Nickel Belt (Mr. Rodriguez) on the variable entrance requirement have been distinguished more by their verbosity than by their accuracy. The most outstanding example is the reference he made both during the committee and the report stage to the brief submitted by the Canadian Mining Association. In quoting from the association's brief, he stopped just short of quoting a sentence in the brief which is in full support of the government's position. I think it is essential that the position of the Canadian Mining Association be put on record. The omitted sentence reads as follows:

> We believe, therefore, that the 10 to 14 week variable entrance requirement proposed by the minister on April 26th to your committee is appropriate and equitable under existing circumstances.

This is not an isolated example of distortions. The hon. member for Nickel Belt made a statement during the report stage that when he visited the St. John's Canada Manpower centre in Newfoundland, there were only two jobs listed on the job board. This is not so. The manager of the CMC advises that on that day he had upward of 50 jobs listed. Apparently the hon. member visited the office early in the morning and looked at one job board reserved for new jobs listed that day. Other job boards contained listings of dozens of other jobs. In view of these inaccuracies, Mr. Speaker, one wonders at all other statements by the hon. member.

The major objective of the unemployment insurance amendments in bill C-27 was not to cut costs. It was to achieve a better allocation of resources. As I stated on second reading, the evidence we have accumulated points to the fact that unemployment insurance is not the most effective way of helping to resolve the problems of those with a short-term attachment to the labour force. This was one of the reasons we substantially increased the funds available in our employment strategy to fund alternative measures, such as direct job creation, training and counselling. It was not, as spokesmen for the NDP have alleged, that we felt that the short term attachments were "ripping off the system".

This brings us to the third general objective of the bill, which is the provision for developmental uses of the UI funds. These are positive steps we propose to take to help reduce unemployment. In the area of training, we will rationalize and simplify the income maintenance arrangements for unemployment insurance claimants taking Manpower training programs. It is well established that suitably designed training programs increase earning capacity and longer term employability. Moreover, the new arrangement will liberate additional funds for training. Yet the NDP by opposing the provision, would deny these advantages to Canadian workers, notwithstanding representations I have received from at least one NDP member that additional training is urgently needed by the unemployed in his constituency.

As I indicated in my remarks at the report stage, the government is fully sensitive to the fact that the use of unemployment insurance funds for work sharing and job creation represents a new departure. I have also indicated our sensitivity to the potential problems involved and to the concerns expressed by representatives of management and labour. Nevertheless, these new approaches seem worth trying since they potentially represent a more positive and creative use of income maintenance funds. The government recognizes that work sharing will not be viable unless both labour and management in particular establishments are prepared to try it out. I repeat the assurances I have already given to the House, that the provisions relating to work sharing will not be implemented unless such support is forthcoming.

● (1520)

At this point I think it is also essential that the record be set straight on our concept of work sharing. It has never been envisaged as a general way of solving the problems of an over-all shortage of jobs. Rather, it would be designed as a way of helping particular establishments facing temporary economic difficulties to share work for specified periods rather than laying off part of their work force entirely.

I also repeat my assurance that we will undertake further intensive discussions with the new advisory council on the use of unemployment insurance funds in job creation projects. I am hopeful that exploration of the problems and how they may best be solved will lead to the conclusion that we should, in fact, proceed on a pilot project basis to determine the extent to which the advantages we see in these ideas can be achieved in practice.

The amendments contained in Bill C-27 have been made as a result of a long period of investigation, discussion and debate. I am confident that the integration of the Unemployment Insurance Commission and the Department of Manpower and Immigration, and the revisions of the unemployment insurance program constitute a sound basis for providing better employment services to Canadian workers and employers. I have already mentioned the need to achieve a better balance between service and control in the administration of the unemployment insurance program, which will be promoted with this bill. During the discussions in committee and in the House I have been struck by the frequent references made by many members on the need to provide better service.

In this connection it should be recalled that in the years immediately following the introduction of the new legislation in 1971, the commission's first concern was to improve service. As progress was made in that direction, parallel steps were taken to improve control measures. The commission's continuing responsibility for ensuring the integrity of the unemployment insurance program by maintaining adequate control is doubly important since the commission is the steward not only of public funds but also of premium contributions made directly by the private sector. I am not satisfied that we have yet achieved an optimum balance between service and control. I do agree, of course, that there are clear limitations on the extent to which control measures can be pursued. Financial considerations and public acceptance are two key factors which determine the parameters of control measures. At the same time, the integrity of the unemployment insurance program is essential to the program's acceptance by the public.

As I indicated earlier, many representations have been made to me and to the department both from inside the House and from agencies outside. I have read and have had summarized very carefully all the briefs presented to the committee, many of which contained excellent recommendations. In some instances, however, these recommendations ran counter to others. For example, in some instances the 10-week to 14-week period was considered too short, and in others up to 26 weeks a year was recommended. So one has to arrive at an appropriate balance in the circumstances, given the fact that this program can only be made to work if it maintains its credibility. That had to be the guiding force in reaching the decisions that we have made in the department. I thank the House for its attention.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I find myself in an interesting position. The minister indicated that we have spent long hours on Bill C-27 and that we have heard many witnesses by way of petition or in person. I would bring to Your Honour's attention such groups as the Railway Association, the Employers' Council of British Columbia, the United Auto Workers, the Canadian Construction Association, the Canadian Manufacturers' Association, the Canada Labour Council, and the National Anti-Poverty Association. All of these organizations, as well as others, had the required

expertise which they brought before the standing committee, which enabled us to come to some rational conclusions in clause by clause consideration of the bill. I believe I can stand here and express to them, on behalf of my colleagues on both sides of the House, very warm thanks for a job well done in a very complicated and sensitive matter because, as we have been reminded on several occasions, of the one million unemployed.

The minister has indicated the three objectives of the bill. The first is to improve the quality of unemployment insurance, and in this regard he mentioned the merger of the Department of Manpower and the Unemployment Insurance Commission. We all know where that idea stems from: it comes from the official opposition. But we are not seeking credit, Mr. Speaker. I notice that the minister made no mention of this whatsoever. But we are used to giving the governing party our ideas. They take them and give us no credit for them.

This merger will improve the quality of the service, and now the left hand will know what the right hand is doing. As my good friend, the hon. member for Victoria (Mr. McKinnon) said, we in the official opposition have been, on several occasions, a policy bank for the party which is supposed to be governing the country. But we do not mind; this is part of our responsibility which we accept and exercise willingly.

Some hon. Members: Hear, hear!

Mr. Alexander: We do this in preparation to taking over after the next election. That will be my last statement which can go unrefuted. Then the minister spoke about a balance between service and control. When we talk about balancing service and control, we are thinking about equity and justice, because all too often we as members of parliament are made aware of the harassment by and heavy-handed approach of benefit control officers. You are well aware of this, Mr. Speaker, coming from your riding. In your hallowed position you are made aware of the problems resulting from the heavy-handed approach of benefit control officers.

So we must move in and, with the influence we have, try to convince the minister that the Unemployment Insurance Commission should not use methods of harassment, be overzealous or heavy-handed. I hope this is what the minister has been talking about. This is certainly what I would be talking about if I were sitting in his place. However, I had better stop there. I have already made my statement in that regard and the minister knows what I am talking about. We are talking about equity and justice when we refer to the balance between service and control.

The third objective the minister spoke about was to relate unemployment insurance programs to economic realities. What does that mean? It simply means that we now have a variable approach to unemployment insurance. Once again I noted that the minister, with his usual charity, singled out the hon. member for Gloucester (Mr. Breau). He said that as a result of that hon. member's input the minister is now providing for further extended unemployment insurance benefits. The hon. gentleman even looked across at me and said that the official opposition in their wisdom and expertise brought forward a solution which he adopted holus-bolus, that is, the variable entrance requirements. We are not seeking any credit for it whatsoever, because as the hon. member for Victoria said, this party is a policy bank for the party that is supposed to be governing.

This is what we are talking about in terms of unemployment insurance programs being in step with economic reality. I will not dwell any longer on variable entrance requirements: we know what this means. It will mean, now, that people on unemployment insurance for the next three years will be able to acquire benefits depending on the rate of unemployment. There will be a change in entrance requirements in accordance with the rate of unemployment from 10 to 14 weeks, inclusive. This is a step in the right direction. As I understand it, it will last for three years, subject to the approval of parliament. After the three-year period there will be a requirement for a 14-week eligibility period.

● (1530)

The third objective was the developmental use of funds. There were many comments on the first objective and vigourous comments on the second, and on the third objective we ran into a considerable amount of flak. We on this side of the House were certainly concerned about the job training aspect, we were more concerned about the job creation aspect, and when it came to work sharing there was a traumatic atmosphere. This idea was one which both management and labour were very reluctant to accept: they made no bones about that whatsoever. The minister is right with regard to the developmental use of unemployment insurance funds; we have moved away from what I thought was the original intent behind unemployment insurance. I would like to quote from the minister's remarks as reported in *Hansard* for June 23, at page 7068, just to show how far we have taken this bill. This is what the minister stated:

> The original purpose of UI was to provide income protection to unemployed workers while they searched for suitable employment. This undoubtedly remains a fundamentally important purpose of the program. At the same time we all know that there have been dramatic changes in the economy, the labour market, and society, with the result that, for certain workers, immediate job prospects are poor. In these cases the provision of income maintenance by itself is not the most effective approach to the solution of their problems nor, indeed, to the problems of the labour market.

At one time unemployment insurance was protection for unemployed workers, but now we have moved to another area. Remember when it was just for an involuntary lay-off? We have brought in the pregnancy aspect and sickness aspect, and now we are bringing in developmental use of unemployment insurance funds. We are far away from the pre-1971 days.

One thing the minister did not touch upon—and I think it is of such significant importance that it should be touched upon now—is the fact that no matter how much we tinker with this bill, we will always have a problem with unemployment insurance as long as we continue not to create meaningful, long-lasting jobs. The Minister of Manpower and Immigration (Mr. Cullen) is a nice guy from the class of '68, but he is going to run into flak. This government is not aware of what being

unemployed means—and we have one million unemployed. Premier Ed Schreyer indicated that he wanted to speak with the Prime Minister (Mr. Trudeau). He suggested that the first ministers get together because we have a national crisis of catastrophic proportions. He indicated that he wanted to meet with the Prime Minister and the other premiers to devise required schemes and plans to get this country moving on job creation. The other day Mr. Darcy McKeough—

Mr. Rodriguez: Oh, oh!

Mr. Alexander: I will not get carried away. I know where that voice came from. I know who said "Oh, oh", but I will not be led astray.

Mr. Rodriguez: A retreaded Liberal.

Mr. Alexander: Mr. McKeough said that we are going to have problems with job creation. He said this is extremely important in his province and in other provinces because of the spill-off. The minister can pat himself on the back and say that he has three objectives, and all that kind of nonsense. I accept that; it is great stuff. But why has he not told us what he is going to do for the one million unemployed? We are losing something like $17 million a day—billions in lost productivity and millions in lost revenue in terms of taxation. Has my good friend the minister thought about that? As usual, he ignores that. He is complacent. I do not say he does not care, but the fact of the matter is that he does not know what is going on.

By itself, this unemployment insurance bill will not remove the awful stigma of slow growth, high unemployment and no productivity. We should listen to Ed Schreyer. I am no socialist, but when Premier Schreyer wants a meeting, there should be a meeting. The Prime Minister told me today that the Manpower ministers should first get involved, and that after they look into the matter he might decide whether the first ministers should get involved. That is a lot of nonsense. Let the first ministers meet now. Let them say that they agree on purpose, on determination, and on the fact that we must solve this problem. In my view, the priorities are wrong. We need more than just tinkering and playing around with the Unemployment Insurance Act. We need a government which is dedicated to full employment and wants to direct itself to the creation of full employment. There should be a job for every man and woman who wants to work. That should be the policy. I chastise the minister—not too harshly—for ignoring that very basic principle. That is part of his responsibility. He did not even talk about employment except to say that one objective is the developmental use of unemployment insurance funds regarding job creation.

Many concerns were registered concerning training, job creation and the work sharing aspect of this bill. The minister indicated that he realizes there is some concern about job creation. We should determine what we have been doing in terms of training. We should have a complete assessment so that we can see whether we have been successful. I hope the minister will look at what we have done. Are we just training people to rejoin the unemployment rolls? That seems to be the conclusion reached by a number of people—experts, at that. So I hope when the minister considers the funds which are used for job training, he will make a complete, analytical study of what has happened in the past regarding job training so we do not make the same mistakes again.

There was some concern about job creation and using developmental funds, or at least what are called developmental funds but which are really going to unemployment insurance funds. I think the minister is concerned because he does not know how this will work. This is also the concern of management and labour; they do not know how it will work, either. We proposed an amendment which would have allowed the minister a year to analyse this scheme of his and to see how it would work and whether it is a proper approach. The minister did not want that amendment, so it was not passed.

On the other hand, when it came to job creation, my socialist friends voted against the job creation aspect of this bill. They are the ones who always stand up in this House and tell the Canadian people they feel it is necessary that the government create jobs. That is the same bunch—and I call them hypocrites—which voted against the job creation aspect. I cannot understand it. But they will have to answer for that, whether they come from the Atlantic provinces or anywhere else. I see a good friend, whose name I will not mention, who is very concerned about Atlantic Canada. I do not know how he is going to explain that his party voted against job creation. He can give me a shout and I will do my best to help him, as I have in the past with other hon. members.

Mr. Hogan: Forty-one jobs under Canada Works in my constituency.

Mr. Alexander: In connection with job creation I want to quote the minister, as recorded in *Hansard* for June 23, at page 7069, as follows:

● (1540)

> In these circumstances it is my view that section 38 in clause 41 should be retained in the bill. I do, however, give my unequivocal assurance that I would not proceed with implementation until there have been further opportunities for discussion.

That is very important: he is not going to implement this until there have been further opportunities for discussion. He went on:

> Specifically, I would propose to refer the question to the newly established advisory council to permit a fuller exchange of views than we have yet been able to have. I would also give my assurance that, if it is clear that no labour or management support for experimentation is forthcoming, these provisions will not be implemented.

I accept the minister's statement that he is going to meet with the new advisory council to get further advice. There is a catch, however, in what he said here today compared with what he said on June 23. He only referred to the advisory council today, but on June 23 he said:

> —if it is clear that no labour or management support for experimentation is forthcoming, these provisions will not be implemented.

I want the minister to recall that. We had some problem with respect to putting UIC funds to developmental uses, but

being realistic and not hypocritical, unlike the socialists to my left, we told the minister we would go along with that. The minister said he will not do it until he has had further discussion with the advisory council and with labour and management.

The work sharing proposal causes us some concern, as well. Papers prepared on the results of experiments in Italy, France and Germany suggest that work sharing is not a good thing and that labour and management in those countries do not want it. Mr. Speaker, I wish the socialists to my left would not bother me. I am trying to make a responsible speech.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Hamilton West (Mr. Alexander) has the floor.

Mr. Alexander: I do not want to become partisan. I do not want to have anything to do with these people. They want to pretend to the workers that free rides are available. But, Mr. Speaker, there are no free rides. It is just socialist philosophy that you get everything for nothing. We will have an answer for that in the next election. Some notes on work sharing prepared by my brilliant research assistant revealed some very interesting findings. Both labour and management felt that section 37 could result in disruptive intrusion into the collective bargaining process, and they were uncomfortable with the participation of government in such arrangements. Both business and labour worried about the criteria used to determine which businesses would be eligible. They feared that the work sharing program might be used to artificially bolster inefficient plants. This view was registered with us by all those whose names I referred to in my earlier remarks.

It was found there simply was not enough information fully to support the concept as outlined in section 37. In fact, specifically the Canadian Federation of Independent Businessmen, the Canadian Labour Congress, the Canadian Manufacturers' Association, and the Canadian Construction Association pointed out that the experience of the West German government in work sharing was not, to their knowledge, successful. This is the program on which Canadian pilot projects will be based. Along these lines, the Canadian Federation of Independent Businessmen told us of the experience of some of their members who found that when they tried the short work week, people preferred to work 40 hours or be laid off.

The creation of inefficiency was a common worry of both business and labour, as was the question of handling fringe benefits. I think they were really concerned about the unwarranted intrusion into the collective bargaining process by the federal government. Both sectors found that unacceptable. We tried to delete the work sharing provision after listening to the advice of labour and management in the standing committee. They said that even with using UIC funds for developmental work sharing schemes, experience had shown they would not work.

I must give credit to hon. friends to my left, because they were opposed to work sharing as well. The minister insisted that it go ahead, however. I want his statement on record so that we can compare what he said today with what he said on June 23, because I caught him out on one statement with respect to job creation. On June 23 he spoke of consultation with the advisory council as well as with management and labour, but today he spoke only of the advisory council and forgot, maybe conveniently, what he had said about labour and management. The record shows what he said on June 23 about work sharing, as reported at page 7069 of *Hansard*:

> In these circumstances I think it is essential to pursue discussions more widely and fully with management and labour to determine whether there is a basis upon which to proceed before we jettison what may be potentially a very good idea.

He did not say "is a good idea"; he said "may be a good idea". Apparently he was not sure whether it was a good idea or not. Maybe that was a slip, and I will not take advantage of it. He went on to say:

> I give my assurance to the House that, if this provision is retained, I will not authorize its implementation until I am satisfied that there is a willingness on the part of management and labour groups to participate. On this basis it is my recommendation that hon. members of this House support the provisions in Bill C-27 for work sharing.
>
> With respect to motion No. 18 proposed by the hon. member for Hamilton West and with respect to the evaluation of job creation, that motion would require an evaluation to be tabled within one year of proclamation of Bill C-27. Let me emphasize that it is our clear intention to undertake evaluations of all the developmental uses of unemployment insurance funds, including the job creation proposal. I would certainly be prepared to table in parliament the findings of such evaluations.

That is a general, catch-all statement. In other words, there will be no work sharing unless labour and management agree; no job creation unless the advisory council approves as well as labour and management. The minister cannot meet with the advisory council until the bill is passed, however. It is already July 4, so I hope his officials have been holding discussions since June 23, because there is no doubt the bill will pass. I am not saying the government will ram it through, but they have the power to see that it passes. I am not going to name any names, but those who know what the bill is all about, even more than the minister or myself, will surely contact labour and management to find out what is going to happen with respect to these proposals.

I could go on and on, Mr. Speaker. I want to register some concern about whether the regulations regarding the 54 regions which affect the variable qualifying period will be based on place of work or on residence. This matter becomes very complicated. I should like to read from the minutes of the Standing Committee on Labour, Manpower and Immigration of June 14, where the following exchange took place as reported at page 35:59.

● (1550)

> MR. RODRIGUEZ: Did we clear up this question of the claimant, where he resides and where he works? Will his benefit be payable on his domicile or on where he works? Have we cleared that up?
>
> MR. MANION: It is the place of residence.
>
> MR. RODRIGUEZ: On the place of residence.
>
> MR. CULLEN: We are going to try that. That will be in the initial phase. We will check that to see how it works. Everything is geared for that, so that will be the way the plan will be implemented.

MR. ALEXANDER: Is there a possibility of us having the reasoning behind the choice of place of residence as opposed to place of work? I will tell you there are many people very concerned about that. I missed the meeting where this was discussed. I believe it was last Wednesday. Have you really looked into this thing, the pros and cons, in a very definitive way that could be released to the members of the committee?

MR. MANION: There was a fairly extensive statement given on this. We looked at both options. There were several reasons for choosing place of residence. One was that the present administration of the UI Act is based largely on place of residence rather than place of work. It was felt that both claimants and the administration would be more familiar with this. There were administration complexities in adopting a place of work definition.

There are also some work incentives attached to the place of residence option.

MR. ALEXANDER: Is there not anything good about the other approach, the place of work?

MR. MANION: Yes, there are advantages of that as well, but they were felt not to be sufficient to outweigh the advantages of the place of residence option.

MR. ALEXANDER: Can we know some of them?

MR. MANION: The major one is the negative one, a concern that a place of residence option could give rise to people moving to areas where they would be subject to more advantageous terms. For this reason it is felt desirable to have the provision covered by a regulation so that if evidence of abuses occur it will be possible to switch. But if there is no abuse of the place of residence provision, there are some very substantial advantages to it, as I indicated.

As the House can see, members of my party were concerned about the effect of the 10 to 14 week flexible period on the 54 regions of the country, for this reason: people could move from one region of the country to another in order to take advantage of more generous benefits. Benefit levels will be determined by way of regulation, and although we do not favour the making of many regulations, in this case one must accept their limited use. I continue quoting the exchange in committee:

MR. ALEXANDER: So we are going to monitor this by way of regulation.

MR. MANION: We are going to apply it by way of regulation, but it will be monitored very closely by the commission in its adjudication process. If there is evidence that individuals have moved from areas where the unemployment rate is low to areas where it is high in order to secure additional advantages, it might be necessary then to switch to a place of work.

I put that exchange on record to let the people of Canada know that it may be difficult to decide the basis of benefit levels. However, most Canadians want the act to operate fairly and justly. They do not want people to rip off the unemployment insurance fund. People are concerned because unemployment insurance will cost the public and the private sector approximately $4 billion a year. Unless I am mistaken, unemployment insurance in 1971 cost us around $1 billion. Clearly, the growth in expenditure has been astronomical. That is why I am pleased to note the government realizes it will need to monitor the fund.

On the other hand, we do not want the government to be heavy-handed with those who have worked for years and must suddenly apply for benefits. We do not want to see benefit control officers hitting them over the head, as it were, with a sledge-hammer. We, on my side of the House, have always opposed that approach. My socialist friends in this House will say that we want to tighten the act. Mr. Speaker, it is not a question of tightening it. We want an act which takes into account the realities of life. We still believe in the work ethic. We want a bill which will foster the work ethic. At the same time, we want it applied compassionately.

[Mr. Alexander.]

Various aspects of this bill will come into effect at different times. I do not think the minister dealt with this, unless I am mistaken. Part I has to do with the creation of the department of employment and immigration, and the Canada and employment immigration commission, and part II with the creation of the Canada employment and immigration advisory council. Part I relates to the new department, and part II to the new advisory council. These two parts of the bill will come into effect immediately after royal assent. I hope the minister will tell me if I am wrong, for it is important for the people of Canada to know the facts about the bill. It contains several important changes regarding flexible benefit periods affecting 54 regions.

The minister gave the hon. member for Gloucester credit for raising the matter of the three-phased benefit. I give him no credit in that regard. At one time we had a five-phased benefit period. The benefit periods are to be reduced to three, an initial benefit phase, a labour force extended phase, and a regional extended phase. Previously, we had an initial benefit phase, a re-established initial phase, a labour force extended phase, a nationally extended phase and, finally, a regionally extended phase. As I say, we are reducing the benefit phases from five to three.

The minister told us this aspect of the bill will come into effect six weeks after royal assent. If I am wrong, I hope the minister will correct me. I understand, from information the deputy minister gave me, that one of the most important parts of the bill concerning the 10 to 14-week, inclusive, variable entrance requirements will come into effect on December 4, 1977. The minister did not blink. Perhaps he does not know. I hope he will stand up and say whether I am right or wrong. This bill is most important and complex and I want the minister to say whether I am right or wrong, because I remember what happened in the case of senior citizens. Their entitlement was cut off. We did not cut them off; the minister did. Let us not forget that, Mr. Speaker.

I mention this to let the people of Canada know with what kind of minister they are dealing. He said, in so many words, by introducing Bill C-69, that senior citizens had no right to work after age 65. That is an intolerable situation which we did not accept then, do not accept now, and will not accept in future. As long as you are healthy and want to work, you should be entitled to work. Our senior citizens who built this country should be given the right to work, to pay premiums and to receive benefits.

Some hon. Members: Hear, hear!

Mr. Alexander: When I said that, the minister did not even blink. That shows how callous and hard he is. He did not even smile when I made an impassioned plea. I do not know what the government will do. We hear they will go to the people in the fall. I hope they do not. Why should they go to the people? I am speaking to the bill, Mr. Speaker, although you may not think I am. I am not speaking about an election, though it may appear that I am. The government may go to the people in the fall, perhaps on the issue of UIC, and bootleg in an argument

saying they need a mandate. But they have a majority now. I hope they do not have the cheek—

The Acting Speaker (Mr. Turner): Order, please. Would the hon. member please return to Bill C-27.

Mr. Alexander: Yes, Mr. Speaker.

Mr. Hnatyshyn: Mr. Speaker, the hon. member was speaking about cynicism and cheekiness, which both relate to this bill.

Mr. Alexander: If they have the cheek to call an election costing some $40 million, the Canadian people will crucify them. They will say they want a mandate. A mandate to do what? The Prime Minister (Mr. Trudeau) has brought this country to its knees. He has destroyed the country. Instead of bringing about national unity, he has brought about national disunity. I will say no more about that.

An hon. Member: Get back to the bill.

Mr. Alexander: I will return to it. I do not know which riding the hon. member represents. He is not important, but his riding is. We are going to fix him in the next election.

An hon. Member: He represents Laval.

Mr. Hnatyshyn: He will qualify for benefits after the next election.

Mr. Alexander: Mr. Speaker, I was saying the variable entrance provisions will come into force on December 4, 1977. I will come to my last point. I have gone on for quite some time, but this is a very important bill. I will give the socialists their opportunity so that they can scream about eight weeks and all that. That is their concern. However, I hope they will be more responsible with this bill than they have been in the past.

● (1600)

The other important matter is the 54 regions. This is involved with the variable entrance requirements. This is where I get confused. It states this provision will come into effect in the summer of 1978. I do not know how that works, if you have the variable entrance requirements effective December 4. Maybe I took it down in error. How can you have 54 regions not involved until the summer of 1978?

That, Mr. Speaker, is my contribution. We are not going to filibuster this bill, hold it up and be repetitious, with speech after speech, like some people. We believe that all the arguments have been made by labour, management and concerned members of parliament who brought to this House previsouly, to the standing committee, and again to the House their concerns. I have placed most of our concerns on the table, the good things about the bill and the bad things. Hopefully, we can wind it down in due course, because, as I have said, we had a very exhaustive examination of the bill and the amendments during report stage. I hope hon. members will realize that there is no sense trying to filibuster this bill, as has been done in the past.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I listened to the minister defend this monstrosity of a bill, C-27. I then listened to "Puff the Magic Dragon", the hon. member for Hamilton West (Mr. Alexander), who almost broke his wrist trying to pat himself on the back for this monstrosity. It was unbelieveable. I look forward to the time when we will have television in this House. The people of Canada will see that there is no difference between the two major parties in the House of Commons.

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member for Nickel Belt (Mr. Rodriguez) get back to the terms of Bill C-27.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Bill C-27 is an example of legislation which the official opposition ought to be examining with a critical eye. They should not be taking pleasure in saying that they pushed the government into something, that they recommended such and such, that they said this and they said that, and the minister listened to them. I thought the hon. member was praying: all he was saying was "I", "I", "I", "I", "I". I suspect with the movement from that side to the government side, the hon. member for Hamilton West may move over very quickly. The hon. member even made a plea that there be no election this fall. He actually pleaded with the government not to call an election. Maybe he is afraid of something; I do not know.

Mr. Hnatyshyn: He is afraid you will be defeated.

Mr. Rodriguez: We on this side of the House have taken a critical look at the bill as well as the whole question of employment and unemployment in Canada. We believe the bill should be used to focus and zero in on the government's inability and hardness of heart with regard to coming to grips with the most serious problem facing Canada, the whole matter of employment opportunities. We have written to the minister. We do not object to regional rates of unemployment with regard to participating in the Unemployment Insurance Act. If the minister were to propose an unemployment rate of 3 per cent or 4 per cent, there would be no difficulty on this side. Also, he would find no difficulty if we were to set the premiums based on the rate of unemployment in the area in which a person lives. It is not right to try to sell people on the universality of a plan and then say to them later that it is not a universal plan after all, that participation in the plan depends on the rate of unemployment in the area in which one lives.

Members on this side have written to the minister in a very responsible fashion. I must make the distinction and say "the NDP", since the dragon made that distinction. We in the NDP have written to the minister. We told the minister that the way in which the present Manpower training programs are operated is inadequate. People are being trained for jobs that do not exist. When we visited Newfoundland to look at the unemployment situation in Atlantic Canada, we found that

hairdressers were being produced by the thousand, but no hairdressing jobs were available. In my area we produce stationary engineers so stationary that they are stationary for miles because there are no jobs for them to station. If that is the kind of planning that goes on, and the kind of training programs that are being established, we want no part of it.

In the minister's own constituency there are 800 work permits for certain occupations, yet he says we do not have them in this country and they are not prepared to move. What are we doing? Are we training people with the skills that are needed? The Manpower training programs have never impressed me. They are designed to do one thing to package people, to pigeon hole them off the unemployment rolls. The government does not want them reflected in the unemployment rolls. That is primarily the purpose of this goverment's program. I have never been impressed with this government's creativity and far-reaching view with regard to training. If this money is being put into that kind of training program, we will never accept it.

We have written to the minister, making constructive suggestions as we in the NDP always do. We always take a positive approach. We tried to point out to the minister how to improve the administration of manpower, immigration and unemployment insurance programs over which he has responsibility. The minister told about the great wonders that will flow from putting Humpty Dumpty together again. It was almost *déjà vu*, reading some of the speeches when the split was made in 1971. Exactly the same reasons given for making the split are now being given for putting them back together. We were told then, and are being told now, that there will be better administration, and the people of Canada who pay the premiums will be better served. A regional meeting was held in Toronto. It broke up early. As far as the regional offices are concerned, they had no idea how they were going to put Humpty Dumpty together again. That is a very serious problem. Eeeeh!

Mr. Hnatyshyn: Let's see what *Hansard* does with that.

Mr. Ellis: Would you repeat that for *Hansard*?

Mr. Rodriguez: *Hansard* only records words, not sounds.

Mr. Ellis: All they ever get from you is sounds.

Mr. Rodriguez: It was a squeaking sound. We in the NDP are not opposed to putting the employment offices and the Unemployment Insurance together. But there are going to be very serious administrative problems. The top bureaucracy is insensitive to those at the bottom. That is why we have suggested to the minister that there must be communication between those at the top end of the bureaucracy and those at the bottom who have responsibility for putting this scheme together and administering it. Certainly we do not propose the joining of those two departments.

• (1610)

We look upon Bill C-27 not as just tampering with the Unemployment Insurance Act. We think there is more at stake than the amendments the minister is proposing to the Unemployment Insurance Act. This whole debate is really on the subject of employment for Canadians. I recall the heady days of 1968 when there was a federal election. The Prime Minister (Mr. Trudeau) was running for his first term as prime minister of the country. Although there were not many promises, there were two things that he said he was concerned about and would work to try to achieve. One was national unity; the other was the elimination of regional disparities.

We can now, with some experience, observe the success of the Prime Minister's efforts on both these fronts. In 1968 the unemployment rate in this country was around 3 per cent. In 1971 it rose to 6.4 per cent. That was the first year of the great fight against inflation. The Prime Minister said that he did not care if unemployment rose to 6 per cent, he was going to defeat inflation. I think his words were that he was going to wrestle inflation to the ground.

Mr. Stanfield: No, that was later.

Mr. Rodriguez: I understand that was later. At any rate, he did not care if unemployment rose to 6 per cent, he was going to defeat inflation. In 1974 the unemployment rate dropped to 5.4 per cent. The rate at the present time is somewhere around 8 per cent. That is the StatsCan figure and does not include hidden unemployment. StatsCan changed the method of calculating the unemployment rate in this country and in one month cut the unemployment rate in Newfoundland by half; but 8 per cent unemployment in terms of numbers means that about one million people in Canada are unemployed.

The working class people of this country have been used to fight inflation. The government did not care what the unemployment rate was; it used the working class of this country as the scapegoat in defeating inflation. But it seems to me we have not defeated inflation today. If the present rate is projected to the end of the year, we still have double-digit inflation. You notice, Mr. Speaker, how consistently the government uses the unemployed as the scapegoat. Never does it accept responsibility for maladministration of the economy. The government always finds a scapegoat, and the scapegoat as recently as a year and a half ago was the workers of this country. They were blamed for causing inflation because their wage increases were too high and productivity was too low. Therefore, to defeat this psychology of inflation the government had to bring in a controls program. Again it had to find a scapegoat, and now hon. members opposite are all smelling of roses.

The government brought in the controls program which was advocated by colleagues to my right. The hon. member for Halifax (Mr. Stanfield) took credit for it, but he is a little more modest than the hon. member for Hamilton West. As I envisage the next election, it will be run along the lines of the governing party wanting to keep controls, and the Conservative party wanting to lift controls. That is the kind of juxtapo-

sition that I have in mind for the next federal election. As the hon. member for Winnipeg North Centre (Mr. Knowles) says, it will be Tweedledum and Tweedledee. The government has failed on both counts. We still have high unemployment in this country, and we also have high inflation.

What is the word that we get from the corporate sector of this country? Again we look for a scapegoat. What is the message they are putting across? They say unemployment insurance is one of the prime factors for productivity being down; that after all, we are paying people after only eight weeks' employment and that is a drain on the economy. The Canadian Manufacturers' Association told the committee that we had the most generous unemployment insurance program in the world. I point out that we also have one of the highest unemployment rates among the industrialized nations of the world. Among the OECD countries we have the highest rate of unemployment of 15 to 25-year olds, something the government should be ashamed of. According to the Canadian Manufacturers' Association, the program is a disincentive.

Then the Canadian Chamber of Commerce, which represented small business, said that the program was a rip-off. The Employers' Association of British Columbia also told the committee that the program is a rip-off. The Association of Small Businessmen, headed by the famous—or infamous, depending on your view—John Bulloch, also told the committee that the program was a disincentive, a red rooster.

Mr. Ellis: He did not say that at all; he just said unemployment is very high.

The Acting Speaker (Mr. Turner): Order. The hon. member for Nickel Belt (Mr. Rodriguez) has the floor.

Mr. Rodriguez: Thank you, Mr. Speaker. I welcome the interjection of the hon. member for Hastings (Mr. Ellis) and trust he will get up and make a speech at some point in this debate. I am interested in his comments, and somewhere along the line I am sure I will be able to comment upon them.

The Construction Association of Canada also appeared before the committee and said the program was a rip-off, that the Unemployment Insurance Act is too generous and the participating time too short. All of the groups I have referred to appeared before the committee. Then the minister admitted to me in committee, "Yes, it is a disincentive program; there is no question at all about that". I cannot imagine what goes on on the other side of the House. The government changes one minister, puts a new minister in his place, and suddenly things change. Let me read to the House the comments of the Minister of Manpower and Immigration's predecessor, the President of the Treasury Board (Mr. Andras), in committee on May 28, 1975. Let us not forget, Mr. Speaker, that the whole basis for Bill C-27 is a comprehensive review of the unemployment insurance program which was made between January and June of 1974. This is what the minister had to say:

> I think it is a bit of a red herring myself. I think there are other areas that have to be tidied up in the act that are far more significant than that favourite whipping-boy of the short-term work claimant.

A little later on he said:

> The incidence of disentitlement or disqualification, as an effect of failure to meet one's obligations under the act, is lower amongst the group with a minor attachment to the work force as their proportion of the total claims load than those with a long-term attachment to the work force.

After only a year in his job, the present minister discovered that this was a disincentive program. The previous minister was in office for certainly longer than six months and, based on surveys, he had that statement to make. Perhaps he was getting bad advice from the top bureaucrats in his department, because if he felt that the program was a disincentive, that people were taking the program to the cleaners, he should have spoken up and been honest with the committee. One has to assume that he was being honest when he said that. We have to look, also, at what other groups are saying besides the Canadian Manufacturers' Association and the Canadian Chamber of Commerce, as the hon. member for Hastings has pointed out. I should like to refer to the latest report of the Economic Council of Canada which reads in part:

● (1620)

> We believe that most Canadians affected by unemployment are well served by the unemployment insurance system and use it honestly—
>
> It would of course be possible to try to eliminate abuses by cutting certain categories of claimants or the duration of benefits, or by extending the period of work, before claimants could become eligible for benefits. But such recommendations could prove harmful to persons most exposed to periodic and genuinely involuntary unemployment.

The minister referred to my comments regarding the Canadian Mining Association brief, a copy of which I received from the clerk of the standing committee. I should like to read from page 5 of that brief as follows:

> The association condemns the abuses which some unemployment insurance claimants have made of the eight-week qualifying period. It is also aware that this period is shorter than that found in all other foreign jurisdictions, while the maximum level of benefits and the time during which they can be drawn are in excess of those found elsewhere. Nevertheless, with close to one million Canadians unemployed, and with most projections, including those issued by the government and its agencies, indicating the situation may worsen, the time is simply inappropriate from almost every perspective to seek a substantial extension, which we would urge in better times, to the eight-week qualifying period.

That is what is in my copy of that brief, and that is the end of the paragraph. I have never found myself in agreement with the Canadian Mining Association. The association indicated that the government ought to spend its time creating and going about doing things in the economy which will spin off the jobs that are necessary for our people. At this particular time in our history the government is coming in with changes to the Unemployment Insurance Act which will create grievous harm for many sectors of the country, especially people who receive lower incomes. There is a high correlation between the minimum attachment, those who are minor claimants, the length of time they collect benefits, and the regions from which they come. You will see the highest correlation between those who are minor claimants and those parts of our country which have the most aggravated unemployment rates.

I should like to refer to those who were eight-weekers and then went to collect unemployment insurance. In 1976 they collected 21.22 weeks, which is the average for Canada. The

eight-week wonder in Newfoundland collected 31.15 weeks of benefits. In Prince Edward Island it was 28.37 weeks. In Nova Scotia it was 19.1 weeks. In New Brunswick it was 30.44 weeks. In Quebec it was 23.85 weeks. In Ontario it was 15.1 weeks. In Manitoba it was 12.2 weeks. In Saskatchewan it was 11.04 weeks. In Alberta it was 10.53 weeks. In British Columbia it was 18.42 weeks. As we go through the nine-weekers right down to the 20 plus weekers, we find this correlation is evident. Where you have a high unemployment rate in the country, you find people have a shorter attachment period to the work force, which reinforces the New Democratic Party's position. Changes at this particular time can only aggravate an already serious unemployment situation in the country.

What was the basis for bringing in the changes contained in Bill C-27? What led them to do this? The previous minister, now President of the Treasury Board, indicated a year ago that he did not go along with this prevalent attitude. I have the suspicion that there is an election in the offing and the government party will have to go to the corporate sector for donations. They will have to show the corporate sector that they are prepared to be tough. One of the issues the corporate sector has brought to the attention of the government is the minor attachment period and the length of benefits.

When the minister first brought in the bill, it changed from 8 weeks to 12 weeks. There was to be no regional unemployment rate. Therefore, he dropped that bombshell on his caucus and all the Liberal party backbenchers from Atlantic Canada got up and said, "You cannot do this; the NDP is going to make flak in the area". There was a lot of scurrying around, like mice in the pantry, and they arrived at this position of superimposing 54 regions on the country. We have a complicated Unemployment Insurance Act as it is. We recognize the difficulties in the administration of that act. God knows, that particular administration has received enough letters from me. When I took a look at the proposal, I discovered my riding would be region 21. Within region 21 there is a community, Killarney, which is 52 miles from the city of Sudbury, the industrial centre. In the wintertime the unemployment rate is 60 per cent. Because of the high industrial sectors in Sault Ste. Marie and Sudbury, the regional unemployment rate is 7.1 per cent. They will need anywhere from 12 weeks to 14 weeks to qualify for benefits.

The superimposing of the 54 regions will create hardships for small communities. When citizens of these small communities become unemployed, the program is administered in a very unfair way, as the minister is aware from the evidence given at the committee hearings. We know the difficulties, yet he proposes 54 regions. I do not think he understands the difficulties which will be encountered and the red tape involved for unfortunate Canadians who become unemployed. What was the rationale? The rationale was the comprehensive review of the unemployment insurance program in Canada. This is the rationale which was prepared between January and June of 1974. It was prepared after personal interviews with unemployed folk and upon what they called in-house data. Well, it was in-house, outhouse, backhouse, round-the-house, all sorts of data, much of which was highly erroneous.

• (1630)

Take a look at some of the statements made in part "B" of this comprehensive review. It says: "Canada has the fastest growing labour force of any industrialized western economy." Statistics are given from 1961 to 1975, but there are no accompanying international statistics with which to compare the figures. The document states, further: "The labour force is characterized by a high degree of mobility". The basis for that statement is the statistics for separation in one year, 1974, and changes of address in 1971. What a marvellous, up-to-date piece of research upon which to base a measure like Bill C-27 which the Conservative party has the audacity to support! Here is another statement in the document: "High wage increases have exceeded productivity increases." What is advanced as proof of that assertion? A comparison of wage increases in Canada and the United States in one year, 1974. Yet on the basis of such a comparison the minister is telling us, like the blind leading the blind, what a wonderful proposal we have before us.

I now call attention to another statement in the same document where there is reference to the reluctance of Canadians to work at traditional wage levels. What is the proof? A comparison of federal minimum wages in Canada and in the United States in one year, 1974. Then there is a section on what they call the relationship between job vacancies and unemployment. Again, the figures are for one year, 1974. They have the gall to say there were 92,000 full-time vacancies in 1974, compared with 525,000 unemployed. We are given no information about the nature of those employment opportunities. Another interesting section is called "Profile of claims—study and comments". The first heading is "Separations from employment, January to June, 1974" and beneath it: "One in five quits voluntarily and should be watched."

What is the value of that statement, Mr. Speaker? Unemployment in 1974 was the lowest for five years. It was a boom time, when lay-offs were few and jobs were easily found. It was the year when unemployment took a dip to 5.4 per cent. Even expanding the scope of the study for a full year would have given a more accurate picture, because unemployment dropped from 5.5 per cent in January to 4.9 per cent in June. Then it arose again in December to 6.1 per cent. In the same study, under the heading "Profile of claimants", a comparison is made between 8 to 11-weekers and those unemployed after 12 weeks. The figures used reflect only the situation in 1973 and 1974. What are the characteristics in years of high unemployment, like 1971? The figures which accompany the heading "Claimants listed by dependency, age and sex" are taken from only one year, 1974, and again no comparison is possible with a year of high unemployment. In relation to the duration of claims, once again the only figures were taken from 1973 and 1974 to support findings which go into ridiculous detail on the basis of such a small sample.

Then we come to a section on "Exhaustees and post-claim behaviour". Here we find a statement that "63 per cent were able to find work within six months of exhausting their claim; this high percentage may indicate a work disincentive in the case of some claimants." So out of a possible six years of operation, only one month was used, April, 1973. This study covered 2,649 people who exhausted their claims that month. They were surveyed six months later to determine whether they had found jobs. The unemployment rate in April, 1973, was 5.4 per cent. In October it was 5.8 per cent. In March, 1977, it was 8.1 per cent, adjusted. What relevance can a job search at a time of easy employment have at the present time when we are experiencing such a much higher unemployment rate?

Further on we find that in connection with the entry on part-time workers, 1,146 people were studied in August, 1974—a very small sample indeed when one is talking about close to a million people receiving unemployment insurance benefits at any one time. But they surveyed 1,146, in August, and August is the time when work possibilities are affected by student employment. Bear in mind, too, that 1974 was a year of relatively high employment, as I have already said.

I turn now to section "D" of this comprehensive review. They must have spent a bundle putting this together, with its flow charts, bloc graphs, etc. Part "D" is "The alternative approach to profile of claimants", and there is a subheading beneath it, "Relative claim rates and cost ratios". The size of the sample is not given. It was taken from one small, special labour force survey dated March, 1975—10 per cent of the sample of 1973 and 1974 files. No comparison was made with figures for earlier or later years.

Then comes a section called "Work disincentives", section "E". This section consists of summaries of seven studies on the effect of the 1971 act. The two studies which are given most space in the review concluded that the 1971 UIC changes had a negligible impact on the unemployment rate. One of those studies indicated that the benefit rate had the most powerful effect on voluntary unemployment. This conclusion is weakened by the fact that the author assumed that all unemployment is voluntary. The other studies done for the Economic Council and for Treasury Board have been judged to contain serious methodological deficiencies.

Consider other sections and the years to which the studies relate. Distribution of total benefits by provinces, 1973. Distribution of total benefits by occupation, 1972, the year after the new act came into being. Distribution of total benefits by industry, 1973. Total revenues by income class, 1973. Under "I" there is a section "Public perceptions of unemployment insurance". There was a survey done in 1975, they said; but, here again, the sample size is not specified and the questions asked are not indicated in the study. The study then considers the benefit structure and increased entrance requirements. This is section "K" of the survey. It describes the three-phase structure and estimates the financial impact of increased entrance requirements and puts forward arguments against increased entrance requirements as listed. This, Mr. Speaker, is the basis of Bill C-27.

• (1640)

The Conservative members gleefully grabbed at it and said, "This is what we have been asking for". They should be ashamed of themselves. They have reneged on their responsibility as the official opposition of the House, without properly investigating, debating and looking into the legislation that has been brought forward by this government. They do not even recognize when they are being used politically, they are so politically naive. The whole approach to Bill C-27 is, "We said it first. That is what we wanted. We have pushed the government in this direction". The minister, smiling like a Cheshire cat, says, "Come into the trap, buddies. We've got you where we want you".

All they find to criticize is job sharing. What do they pick on? The thing that all groups coming before the committee agreed upon. My, my, what a consensus party it is on my right! The one thing over which they cannot get into hot water is opposition to the work sharing program. We on this side of the House have said to the minister, "Yes, there are times when you can make changes to the Unemployment Insurance Act, but you have to base them on the most up to date information and statistics you can get".

I have tried to point out that this survey, this so-called comprehensive review, is neither comprehensive nor a review. It is a rationale for a decision that has been made which has a political basis. I do not know what infighting is going on in the department. It is not for me to know; it is only for me to speculate about. All I can say is that it is our position on this side of the House that legislation based on information such as this—I have read all the stuff into the record; I have read the review of the Atlantic region, which is outdated—cannot be good.

We in our party have said that we do not object to changes being made to the act, we do not object to tightening up the Unemployment Insurance Act, but before you do it you must concentrate on creating employment opportunities. That is where your first priority should lie. You should not give the impression to the public that you are tough and that you are really getting down to those who are using unemployment insurance as a disincentive, because you are fooling the Canadian public that you are doing something constructive with respect to unemployment insurance and you are sucking in the Tories.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Employment and Immigration

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Energy—Suggestion housing ministry make loans for home insulation as conservation measure; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Administration of Justice—Use of writs of assistance—Request for report on study.

GOVERNMENT ORDERS

[*Translation*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION ETC.

The House resumed consideration of the motion of Mr. Cullen that Bill C-27, to establish a Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be read the third time and do pass.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I should have liked to find something satisfactory in the amendments to Bill C-27. Unfortunately those amendments are minor ones and most of them were absolutely necessary as a result of mistakes made in the other legislation. In addition, there is absolutely nothing altering the procedure to establish the insurability of employment. At the present time, unemployed Canadians not only have to experience some difficulties with badly drafted legislation and the reactions of various officials as to their eligibility for unemployment insurance benefits, but they have to accept the decisions of income tax officials who determine the insurability of their job. Let us imagine what goes on. I had to tackle such problems and there are still many which remain unsolved.

Through its investigators the Unemployment Insurance Commission decides whether a job is insurable or not, but it does not make the decision. Quite often they pay benefits for a number of months, even for six months, and then the matter is referred to the income tax people who decide whether the job is insurable or not. After the income tax people have rendered their decision, it takes months and years to be able to go before the Federal Court and defend the position of these unemployed. Then it is easy to see that there is no common sense in approving such a piece of legislation.

[The Acting Speaker (Mr. Turner).]

I have in hand a few notes concerning the piece of legislation which we are debating, to establish a Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof. This is a strange combination of commissioners, officials, advisors who have apparently the responsibility to redefine the tasks and to redirect the objectives to increase employment for the Canadian people. I wish the best of luck to all those who will have responsibilities in these administrative functions, even if this hotchpotch of redefining, of amalgamating is seemingly organized to create a model of confusion 1977, a new style which will perhaps outweigh the confusion reported in history about the attempts to build the Babel Tower. The Department of Transport has already made a demonstration of confusion as far as air traffic control is concerned.

● (1650)

His colleague, the Minister of Manpower and Immigration may entertain the ambition to achieve the same goal on earth, in spite of the variety of factors to be taken into account: a department, a commission, a council, a reorganization of already existing institutions. Let us try and consider the operation of this new department while wishing the planners all possible success.

All that must be based on the most active and the best cooperation of the whole team while assuming it is capable of such cooperation. We already know a team of civil servants who practice cooperation advantageously for the fund. We all know that in the area of income tax, for instance, all kinds of taxes, this team gives us regular demonstrations of cooperation to the extent that even the people find it sometimes a little exaggerated. This laudable propensity to cooperate should be oriented in the field of real advantages, to find for the unemployed the best ways to use their services in order to contribute in their capacity to the production of goods useful to society.

The administrators responsible for that reorganization probably hold several diplomas, perhaps even doctorates, but I shall nevertheless offer advice on the cooperation which must exist between the employees of manpower centres and the Unemployment Insurance Commission. That kind of retraining will require cooperation courses, in order to meet the need to reconcile individual and collective interests. We must take into consideration that those two groups of employees have worked separately for many years. Their managers thought at that time that it was better that way. According to the new plans, they will have to decide together. Let us hope that the situation of the unemployed worker will be better understood.

A real job creation program should be based on the recognition that all forms of socially useful activity deserve to be recognized and remunerated. This would enable us to reach almost everybody except those who are disabled or too old.

This could include the mother of a family, for bringing up children in a period of transition is a socially valid occupation. And yet, this occupation is deemed as useful and valid only when the children of other people are involved. Taking care of other people's children, whether as a keeper, a day care attendant or a foster parent may be a source of income. Taking care of one's own children is not considered an employment. This occupation does not therefore entail the right to share in our society's wealth. Cooking meals for strangers is called working in a restaurant, but the cooking of a mother who is preparing meals for her own children is not considered as a job. We are not yet used to the idea that a person may be working without necessarily getting paid for it. We often hear the government talk about guaranteed income, but it shies away from all likely means which might make it possible.

This bill introduces the new notion of sharing work. The government states that the unemployed will not be compelled to accept jobs for which they are not suited, but it is the commission which will define the jobs which it feels is suitable for them. That is a lot of discretion! Because we know already its definition of the word "suitable" and the way it is applied when the unemployed are looking for jobs which are not available, we can foresee what sort of decisions the commission will come down with. Whether a person is young or old, with or without any experience of the labour market, being unemployed is never reassuring. The climate of fear and anxiety which prevails in periods of high unemployment is the result of a great many factors, the most significant of which is certainly financial insecurity. Although Social Crediters are often blamed for talking often about money, ask any unemployed person if it is not money which he is lacking.

The main concern for an unemployed man is to know whether he will be able to provide proper food, clothes and housing for his family. He is also concerned that perhaps he might not be able to cope with problems that could rise suddenly like illness, accidents and so on. With decreased income, he has to meet the same needs as when he had a job, taking into account that there might be delays in the delivery of cheques issued by the Unemployment Insurance Commission. That has happened often, as many of us know. Payments on accounts will remain the same during the unemployment period and, what is more, credit is more difficult to get during that time.

Whatever we say, the many applications to be made to find a job are not pleasant. It should not be left to any employer to take advantage of the situation of an unemployed man to have him do jobs in conditions and at rates that others would refuse. For instance, when forced to give reasonable wages to an experienced worker, the employer would find it profitable to lay-off this older employee to hire a younger one for lower wages. We must consider the fact that this sometimes occurs.

There are also employers who regularly renew their staff because of bad or hazardous conditions. An unemployed man must not be forced to take any job. Generally speaking, an unemployed man who has preferences and requirements about a job finds it hard to get one and moreover he may not qualify for benefits if he ever indicates his requirements or preferences to the Unemployment Insurance Commission or the Canada Manpower Centre.

Nevertheless, it is not only up to the Unemployment Insurance Commission to determine whether a job is appropriate or not. The civil servants are not the ones who will do the work, it is the unemployed man. Within a reasonable delay, an unemployed man may require the same job he was performing before, as well as the same salary and the same working conditions.

The commission decides on that reasonable delay which cannot be extended more than sixteen weeks in the case of skilled workers and three weeks for general labourers. I repeat that the commission and manpower centres must be aware that consideration is to be given to some factors when establishing working conditions for an employee. It should be remembered that they are dealing with a human being, not a machine, and that the employee can expect security and stability in his employment. He wants his place of work to be well organized and managed. It is only reasonable that he be treated fairly.

He would also like to be informed on the financial situation of the enterprise, so that he could count on an equitable salary. Those are fundamental realities for a human being. Many officials obviously do not consider these factors when it comes to compelling someone to look for a job.

Another factor is very important, and indispensable: the civil servant should be pleasant. Some of them really have a strange attitude. Not all, of course. Someone acts and others react, as if the common tie was not composed of individual assets grouped together, and as if wanting to reform society authorized one to be unpleasant towards its components.

However, I want to point out that the Unemployment Insurance Act has already helped out Canadian workers considerably, as it surely will in the future, provided the errors in the text of some sections are corrected and some planners cease to envisage, in their sick minds, the possibility of full employment at a time when automation is replacing a high percentage of workers in almost every field of productivity. Terms have been sought to qualify various categories of unemployed but that does not improve the lot of the citizen who has no income and no job. While our youth is being encouraged to get degrees, technicians are inventing machines that will create unemployment for our graduates when they leave college.

In a statement on March 15, 1977, the Canadian Council on Social Development was mentioning that many young people are too discouraged to look for a job. When determining the situation of unemployment, Statistics Canada adopts the criterion "actively seeking work" and therefore underestimates the problem. That estimation excludes a great many young people who need and want a job without actively looking for one. According to the 1971 census, 187,000 people from 15 to 19 and 350,000 between 20 and 24 were not included in the official manpower list of employed or unemployed persons nor in that of part or full time school attendance. Many young people have jobs without any qualifications, with poor wages

and a limited future outlook. In 1975, 54,000 young Canadians were working half time, not because they chose to do so but for lack of full-time employment.

● (1700)

Surveys made by the Manpower and Immigration Department in 1973-74 showed that a high percentage of young workers, almost three-quarters of those aged 16 to 19 were holding a position with no promotion opportunities, but wished to get one. In the light of these statistics, the board of governors of an organization representing the whole population of Canada criticized the deliberate lack of policies of the federal, provincial and municipal governments with respect to this problem and the general attitude of the population which varies from indifference to apathy and accusations against the young people themselves. The council recognizes that the issue of unemployment among young people is part of the bigger problem of unemployment and underemployment and cannot be dealt with separately. However its seriousness and chronic nature as well as the long term disastrous effects it could have if nothing is done make it a very critical issue from an economic, political and social point of view and we should not forget this.

A detailed analysis of this bill leads us to conclude that the aim of this program is to provide an opportunity for students to get some form of experience and training they will be able to use in the future. The aim itself is quite laudable, but we have to wonder how the government is going to improve the situation if it does not take immediately the necessary steps to ensure some continuity and permanency to this program. It is sometimes difficult to understand the attitude of the government which seems to direct its legislation on unemployment by hiring figures jugglers who do their best to reduce the unemployment benefits by using various means of computing that do not reflect the exact facts concerning unemployment in Canada and above all do not take into account the difficulties encountered by unemployed people who cannot find jobs even though commission officials force them to follow complex procedures based on regulations established by imaginative but unrealistic technocrats. There is no need to have a university degree to know that it is almost impossible to find jobs when the unemployment rate is between 8 to 25 per cent in some areas. All government jugglers should orient their efforts toward job creation instead of doing calculations to reduce unemployment benefits.

On April 14, 1977, the Montreal newpaper *La Presse* reported the number of unemployed in Canada was dangerously approaching the catastrophic level of one million. Time has come for the government to use every means at its disposal to create jobs and allow those thousands of discouraged unemployed people to get organized to earn a good living honourably. Many suggestions have been submitted to the attention of the government to create long term employment. Some have suggested launching a housing program for the elderly; in rural districts, why not such a home in every parish instead of only one by region so as to use the necessary money to help the disabled, the blind and all those who are physically handicapped whom we are prone to forget too easily. A great number of practical activities could be created in the field of forest protection and that would contribute to create thousands of jobs during periods when that activity is most needed. It should be possible under shared cost programs to organize reforestation activities to reclaim abandoned farm lands.

Many public buildings could be built—post offices, refrigerated warehouses and how many repairs would have to be made to wharves in several areas! Many wharves on the south shore are drifting away while provincial and federal authorities quarrel about who is going to maintain them and under what terms. I have before me an article published in the local newspaper on Wednesday, June 1, 1977, mentioning that the rate of unemployment reaches 33 per cent in Kamouraska West, and also in another paper, *Le Machiniste canadien*, of June 1977, under the heading "A big lie", one can read, and I quote:

> We have all heard it said that the unemployed are simply lazy people who want to live at the expense of society and the taxpayers. It is a misleading attitude, even if it shared by as influent an organization as the Canadian Manufacturers Association. The reason people are unemployed in this country is quite simply that there are no jobs for them. Government figures prove it.
>
> Statistics Canada published last month a survey showing that in the first quarter of this year there were only 35,400 full time jobs available in all this country and for all classes of jobs. That agency revealed at about the same time that the number of unemployed had "officially" reached 914,000 in April. So there was a gap of 816,600 between the number of unemployed and the number of jobs available . . .

And you have Unemployment Insurance Commission officers telling people: Look for jobs!

> Even if we admit that there are lazy people, 10,000 and even 100,000, there are still a lot of people who want to work and do not have anything to do. So it is the majority of Canadian unemployed who want to work.

At present, as I suggested at the beginning of my remarks, there is no way a bill like this can be supported. We see from the way it is written how social welfare is increasingly becoming the form of assistance for unemployed workers. Unemployment insurance having changed—not always for the better—so as to deprive an increasingly greater number of unemployed of their benefits by extending the qualification period and shortening the number of weeks of coverage, tens of thousands of unemployed will no longer be eligible for unemployment insurance and will probably go on social welfare.

This clearly discriminatory and disloyal strategy of the federal government will massively affect the population of eastern Canada, Quebec and the Maritime provinces. The compensatory job creation program is still insufficient and insignificant in relation to the considerable savings that the federal government is achieving on the backs of the provinces. The central government is gradually and shamefully transferring its responsibilities for fighting unemployment to the provinces. This transfer of the unemployed maintenance burden is the result of many investigations, but it is still unfavourable to the unemployed.

Among all the lengthy reports that contain all kinds of statistics, I have not seen one about the many cases of unemployed who were not given their benefits because of administrative foul-ups resulting from a badly-made law whose vari-

ous sections were re-arranged and written by highly paid technocrats who know nothing about the needs of the unemployed. The high officials, who are never unemployed, use their authority according to theoretical studies of economic mechanisms without taking sufficiently into account the human factors that should be the most important. Oh yes! There has been a lot of publicity about a few cases of fraud. I recognize that there can be some claimants who occasionally break the law, but I can also prove that, in most cases, it is because of mistakes due to the complexity of the act and the regulations, especially in the case of income earned early during an employment period.

The delay on the part of the commission in sending its weekly reports is one of the main reasons. It is rather easy to see for anyone even remotely aware of the various means by which the law and its regulations are applied. I do not understand why people can be inclined to support a bill that will inevitably continue to create a lot of problems in our regions, particularly in those where unemployment is the highest, but of course I guess this is too complicated. However, it seems to me that it would be easy to draft certain texts of law that would be understandable by the people who are unemployed. All these people have not attended university and they have to deal with bills which they do not understand. Besides, there are a lot of civil servants who do not understand them either.

I remember having put a question to the committee on two clauses of Bill C-229, asking what was meant there. I was then answered that it was just legal talk, that those things were written just in case someone would take this issue to the superior court. Then inevitably, if they draft laws such as the one before us, how will it be possible for workers who have to deal with the various problems of unemployment ever to get a little understanding. The Unemployment Insurance Commission has paid out millions of dollars to the unemployed in the course of 1975 and 1976 because there was a lot of unemployment. I still think that the government should rather get itself moving to create jobs. In fact, such efforts are done on a very small scale. Nevertheless, I still wish to thank those who contributed in fostering employment in the riding of Kamouraska with projects under the Local Initiatives Program, or Young Canada Works, Canada Works programs but I must say, it is not sufficient in the present situation. We must have other big work schemes. There are a lot of tasks which should be undertaken. I have mentioned before certain projects which could be launched, whereby people would get jobs that would earn them an income which at least would allow them to live and sustain their family. I must say that this is the only way of solving the unemployment problem.

It just will not help to give some technocrats and other civil servants very high salaries, which, as I was mentioning before range between $20,000, $25,000, $30,000 and $40,000 a year just to play with the texts of laws which are too complicated. The result of that situation is that you only end up making them more complicated while nothing gets solved. And what are we preparing by doing that, gentlemen of the government? We are just paving the way for revolt. It is sad to say it but if we do not react by helping workers, we will have to bear the consequences of that inaction.

• (1710)

[*English*]

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in our view, one of the most grievous shortcomings of the present government is its failure to recognize the very real seriousness of unemployment in Canada. That failure is demonstrated by the fact that it has scarcely looked at what could be done to solve unemployment. Instead, it has come forward with an amending bill which will make unemployment insurance more difficult for the unemployed to receive.

I hope I do not sound like someone giving a lecture based on past experience, instead of someone making a speech in the House of Commons, but I remind older members of the House, the ones of my generation—there are quite a few—that this country went through an unemployment experience in the 1930s which was indeed tragic. I know it seems that we can have more persons unemployed today than we had in the 1930s and yet not be faced with the almost rebellious and revolutionary situation we faced in that decade. I think one of the reasons is that, after the experience of the 1930s, we won in parliament a good deal of social legislation the result of which is that even in times of unemployment there is money of some sort in the pockets of most people.

That was not the case in the decade of the 1930s. When persons were unemployed then, many of them did not handle any money month after month. They collected vouchers which entitled them to food hand-outs or meals in a soup kitchen. The went to work in my city of Winnipeg in the woodyard. They went out to dig the Grassmere ditch. They were sent to River Heights, to pick dandelions off the grass, in return for which they collected vouchers for food.

Mr. Rodriguez: Dandelions make good wine.

Mr. Knowles (Winnipeg North Centre): That was not so well known in those days; certainly that was not the purpose. The memories of some members of this House of those days are vivid. Younger members who do not recollect those days, or whose parents did not describe those days to them when they were children, would do well to read a book written within the last decade by James H. Gray, entitled "The Winter Years". That book effectively "tells it as it was".

That tragic decade was brought to an end by the outbreak of World War II. The combination of the unemployment of the 1930s and the following World War led, in the end, to a good deal of social legislation which ameliorated conditions, and still does today. But, Mr. Speaker, we delude ourselves, and this is where the present government is mistaken, if we assume that because there are not unemployed riding the boxcars, because there are not soup kitchens, because there are not riots in places like Regina, because there are not marches on

Ottawa, the problem is not as serious today as it was then. I contend that present unemployment insidiously is doing untold damage to the fibre of our people and untold damage to the morale and unity of our country. I argue that the government ought to tackle unemployment seriously; it should not just make it more difficult for the unemployed to collect unemployment insurance benefits, which is all Bill C-27 does.

My recollections of the 1930s were reinforced by an experience which the hon. member for Winnipeg North (Mr. Orlikow) and I underwent a short time ago. Taking advantage of June 24 being a holiday in Quebec and hence a holiday for the House of Commons, we set up a one-day hearing in our city, Winnipeg, inviting persons, organizations and groups to come before us and tell us about unemployment as they know it. We announced—I suppose that is why so many came—that neither one of us would make a speech.

Mr. Hnatyshyn: You must have had a mammoth crowd.

Mr. Paproski: Yes, it must have filled a telephone booth.

Mr. Knowles (Winnipeg North Centre): We had quite a crowd. We made it clear we were there to listen. We heard from about 16 or 18 delegations during the day. Our sessions were held in one of the rooms of the University of Winnipeg in my constituency. Of the delegations we heard, only one actually suggested that there was no unemployment problem. It was the nurses' delegation, representging the Manitoba Association of Registered Nurses. When I said that, since I spend a good deal of time in Ontario to carry out my duties as a member of parliament, I had heard about nurses being unemployed in that province, the answer was, yes, the association knew that. I was told some hospitals in this province had been closed, which was one of the reasons Ontario nurses were moving out there.

Mr. Rodriguez: The hospitals were closed by a Tory government.

Mr. Knowles (Winnipeg North Centre): But that was the only delegation saying there was no unemployment problem. We heard from various trade unions and varous groups and organizations. But what impressed me most, and I discussed it with my hon. friend for Winnipeg North, who will be along later this evening—if he makes the same speech I am making, that does not mean there has been collaboration between us—was the case made to us on behalf of young people. It was made in particular on behalf of two different kinds or groups of young people. On the one hand we had representatives of students of the University of Winnipeg and the University of Manitoba who told us of surveys they had made showing that a substantial number of graduates of last year and the year before had not yet found work. The plaintive case they made to us was that it was damaging and demoralizing for young persons to go to university with the thought of ultimately being able to make a special contribution to society, only to find, on coming out, that there is no place for them.

[Mr. Knowles (Winnipeg North Centre).]

• (1720)

I will spell out a bit just how the day ran. We had one university group in the morning, and another in the afternoon. In that way, they did not hear each other. However, both university groups had the same story. They were wondering what was ahead for them and for this country, when there are no jobs for many of those we put through university, with all the years of study and sacrifice that they make. The other group of young people represented at those sessions held in Winnipeg on June 24 was from areas like my own of Winnipeg North Centre and Winnipeg North where many do not get to university. They get through elementary school and high school at best. For them, too, there are no jobs.

We had social workers there, pleading with us to bring to parliament the message that these young people are not just discouraged because there are no jobs, but they are finding their way in increasing number into institutions of various kinds. I remember, in particular, one sister from one of these organizations pleading with us to realize what the unemployment situation is doing to the very lives, character and future of the young people of this country.

I lived and worked through the 1930s. I could not write the book that James H. Gray wrote, but I can certainly tell the story of those days. Some of us came into politics because of what we went through in the thirties. I say what is happening today is worse. In the thirties, the economy had ground to a halt. There were things that could be done to get us out of that. However, if we do not get out of this, if we go on causing young people, whether they are of the upper levels who can get to university, or the levels that do not get there, to find that there is nothing for them to do, God help us in the years and decades that lie ahead.

This is a problem of great seriousness. I see no evidence that the government across the way appreciates that seriousness at all. I said a while ago that in my view unemployment is not only damaging the fibre of our people as individuals, but it is doing great disservice to the morale and unity of this country. I hope, Mr. Speaker, that you will not think I am getting into tomorrow's debate. That will come. I am talking about unemployment and unemployment insurance.

One of the major reasons there are stresses and strains in the Canadian confederation is the economic conditions. When unemployment is as high as it has been for a long time in the province of Quebec, one cannot blame the people of Quebec for wanting a shake-up, wanting something new. When unemployment is high in the other parts of Canada, the people in those parts look for someone to blame. The tendency has been around for a long while to blame the other group, the other racial division. That has been exaggerated because of the unemployment that is there. If we really want to save our country tomorrow, we must do more than our dedication to a national and united country. Let us not indulge in platitudes and speeches, thinking that the language issue is the only issue. The fundamental issues that disturb the people of this country are the social and economic bread and butter issues. I do not

see any evidence of the government realizing the seriousness of the situation.

I plead as strongly as I can with the government to realize that this is not something that is passing just in 1976, 1977 or 1978. It is not something that is so much less worse than unemployment in the thirties that we do not need to worry about it. The future of life in Canada, the future of our country, can depend very largely on whether we can find socially useful and productive employment for all the people of this country.

My friend, the hon. member for Hamilton West (Mr. Alexander), in the better part of his speech had a good deal to say, with which I thoroughly agree, about the loss that we suffer every day that nothing is done about unemployment. He cited the millions of dollars that we lose every day, not just in terms of the money that is being paid out in unemployment insurance but in terms of the production that is not produced. This country still needs housing on a massive scale. This country still needs urban renewal in all the cities of Canada. This country still needs modern and efficient transportation systems across the country and in our urban centres. These things call for employment in excess of the numbers that are unemployed today. For the government to sit there and try to run the country, when it cannot find a way to put together people and resources to produce those things that are needed, is a sham, and that government ought not to be sitting there today.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I plead for serious consideration of the most effective answer to unemployment which, in the simplest terms, is employment. In the simplest terms, it is to put the country to work producing those things that our people need.

Hon. members are quite used to hearing my voice concerning all aspects of pension matters. One of the things that I plead for is the possibility of earlier retirement. I do not ask that it be made compulsory, not in the least. However, I firmly believe that if pensions such as old age security and the Canada Pension Plan were made available on a voluntary basis at age 60 instead of age 65, many of our workers would take advantage of that opportunity. There are many jobs where one does not want to quit. I am an example of one who does not want to quit.

Mr. Rodriguez: What about the Senate?

Mr. Knowles (Winnipeg North Centre): Forget that. That is not work. It is one thing, at my age of 69, to enjoy being in parliament. It is another thing, at age 50, 55, 58 or 60, to go day after day into the rolling mills, railway shops, mines, textile factories, packing plants or forests and do backbreaking work. On occasion I talk to workers at the shop gates. They put many things to me, but the thing that is spoken to me most about is earlier retirement so that they can escape from the rat race and have a chance to live.

• (1730)

All power to those who have the kind of job where they can stay on, but I suggest that it would be a practical, positive solution for a goodly number of our unemployed if earlier retirement were made possible. But can we get these people across the way to take a look at this proposition? No. They say we are trying to force people to retire, instead of making it voluntary. They say that the country cannot afford something for those between 60 and 65 because there are others below 60 who are having a hard time. Granted there are these kinds of problems, but is the government examining them? No. Its answer to unemployment is to make unemployment insurance more difficult to get. Hon. members opposite say they are responsible. They say they are the government of the country and that they are running it. They are running it into the ground.

A while ago my hon. friend from Kamouraska referred to the guaranteed annual income—something else that we on this side of the House are proclaiming—and suggested it was one way to answer unemployment, that it was a real way of sharing available work, and that it was a form of security. But can we get the government to examine this? No. It has to be discussed with the provinces, says the government; the provinces do not want it, and so on. These so-and-so's across the way are presiding over a country rich in natural resources, rich in real wealth, rich in people who are prepared to work. Yet they cannot somehow put things together so that goods can be produced to provide a guaranteed income for all our people, to provide for voluntary retirement, and to provide for the production of those things which our people need.

Mr. Paproski: They would like an election, Stanley. That is all they think about.

Mr. Knowles (Winnipeg North Centre): My hon. friend says that what those across the way want is an election. The only reason they want an election is that they think that can put them back in office for another three or four years.

I have already mentioned my age, Mr. Speaker, which simply tells you how many years I have had to endure this country under a Liberal government, the kind that keeps fooling us about what they are going to do, from Mackenzie King on down, and never really coming to grips with the problems and issues that face us. I submit that we never had a better example of that than we have today. Here is this tremendous social problem, the tragedy of unemployment which is hitting our people, yet the Minister of Manpower and Immigration (Mr. Cullen) brings in Bill C-27, the only effect of which is to make it more difficult for unemployed people to collect unemployment insurance. It makes it more difficult in a number of ways. The most serious way of all, of course, is that it increases the number of weeks which a person has to be attached to the labour market in order to collect unemployment insurance, at a time when in some parts of the country it is difficult to get any attachment at all. The government has also built up a complicated mass of machinery for running the program which is bound to take first prize for the impossible.

How the government has any moral right to stay in office, Mr. Speaker, I simply do not understand. This is why I stand here today pleading with the House, and particularly with the government, to take this issue seriously. This is not something which is simply passing. It is not just the experience of the 1930's on a lesser scale. It is a tragic thing which is doing damage to the character and the fibre of our people. It is doing damage to the morale and the unity of our country. I feel very strongly that something better than this bill should be brought in.

In the meantime we have the bill in front of us. I know it has been debated at length at second reading, in the standing committee and at the report stage, but it still has in it these provisions which make it so difficult for unemployed persons to collect their unemployment insurance. There are a number of clauses in the bill that ought to be reconsidered by the standing committee, though even that is not enough. No matter how good an unemployment insurance bill is brought in, it would not be enough. We need other things too, such as production, employment—a whole host of pieces of social legislation. But at least we ought to reconsider this change from an eight week attachment to 14, with a sliding scale and all the complications.

Therefore, Mr. Speaker, because I believe we should still review this whole bill, and because in particular I think the bill should be sent back to committee for a reconsideration of the attachment clauses, which make it more difficult to qualify for unemployment insurance, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That the motion be amended by deleting all the words after the word "That", and by substituting therefor the following words:

"Bill C-27 be not now read a third time, but that it be referred back to the Standing Committee on Labour, Manpower and Immigration for the purpose of reconsidering clauses 29 and 30 thereof."

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise in support of the amendment just proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) to Bill C-27, which deals with amendments to the Unemployment Insurance Act. We in the New Democratic Party have fought this bill in the House and in committee because we believe it does a serious injustice to the one million unemployed Canadians.

The bill is a sham in terms of government seriousness regarding the plight of the unemployed. It is an attempt by this cruel and heartless Liberal government to make the unemployed of Canada the scapegoat for the government's own economic failings. No responsible member of parliament elected by his constituents to stand up for their rights, whether they be employed or unemployed, can support this iniquitous legislation which fails to address itself to the nature of our unemployment and to the reason why the people of Canada who want work cannot find it. Rather than assist them in their hour of need, this will only discriminate against them.

If the amendments in this bill are passed, we are going to throw an extra quarter of a million, perhaps even one third of a million, Canadians off the unemployment rolls. This bill will lengthen the qualifying period for a person to become eligible for unemployment insurance. In view of the unemployment rate of 8 per cent and the lack of job creating policies on the part of this Liberal government, the situation can only get worse. As people become unemployed the government has the nerve and callousness to disqualify them from receiving benefits which they have contributed to over the years.

We hear from the Prime Minister (Mr. Trudeau) that what is at issue here is leadership in this country. I ask the Prime Minister and his Liberal supporters: where is the leadership in creating jobs and reducing unemployment in the kind of approach we see before us in this bill? Instead of attacking the number one problem of unemployment, this bill attacks the unemployed, and we in this party will not stand for it.

• (1740)

Some hon. Members: Hear, hear!

Mr. Symes: The minister tries to do the double shuffle by appearing to be active in trying to change this bill and attacking the problem of unemployment. He said that there are a number of Canadians today who are not really serious about working, that these people move in and out of the work force on a temporary basis, that these people really do not need the extra money, that these are not long term attachments to the work force and therefore are artificially pushing up the unemployment rate and proving to be a drain on unemployment insurance funds. That is the type of rationale behind this bill, that unemployment is really not that bad. To prove it, the government wants to disqualify a number of people from receiving unemployment benefits. I reject that kind of argument.

In the past I have risen to try to bring forward statistics from government agencies which refute the claim that people who work eight weeks and draw unemployment insurance are really only minor attachments who are not serious about long term employment. When we look at the problem of the unemployed today and try to analyse who the unemployed are, we receive very revealing facts and figures. Of the one million unemployed in Canada, the shocking fact is that 48 per cent of those people are under the age of 25 years. In other words, the future generation, those we have supposedly educated and trained and will rely on to keep the country going in our old age, make up approximately half of our unemployed. This has got to be a serious problem, not only from the viewpoint of over-all statistics. What is this doing to the future of this country? It is disillusioning the people we will be relying on to keep this country great.

One of the reasons I left the teaching profession to enter politics was what I saw happening to some of the senior students I taught. These students had great potential to go on to post-secondary education, but they were not going on to universities or community colleges for job training because they saw some of their friends, who had gone on to university, graduating and not being able to find jobs commensurate with their training and, in some cases, not being able to find jobs at all. At that time I felt if that situation were allowed to continue and grow worse we would be building a generation in

this country who were becoming disillusioned about the system and the manner in which the government was operating. In the five years since I have been here, I have seen that situation worsen under the economic policies of this Liberal government.

When the young become disillusioned and when the whole concept of work becomes a foreign one, because people cannot find jobs, then the country is in serious trouble. Yet the government cannot seem to recognize that young people today do not want to go to university and their parents and they themselves do not want to spend hundreds and thousands of dollars getting that kind of training, only to find there are no jobs available when they graduate.

What kind of response do we see? Instead of a commitment to reduce unemployment and to provide jobs for these young people, under the callous leadership of the Prime Minister we hear the government saying to the young people: "Well, you can leave the country". That is the type of response we receive to the problem of unemployment for the young and, in an even worse sense, it is found in this bill.

Because of high unemployment, young people today have not had a chance to contribute for eight weeks in order to qualify for unemployment insurance should they be laid off, which in all probability will happen as long as this government is in power, and that qualifying period is going to be increased to anywhere from 10 weeks to 14 weeks.

All we receive from the federal Liberals are token responses to the problem of unemployment. We get Opportunities For Youth Programs and Local Initiatives Programs. Those programs only provide temporary part-time work at minimum wages, and thus fail. Then the government comes up with new names such as Canada Works and Young Canada Works, which also will only provide temporary make-work projects.

Another response of the government is to create the myth that 6 per cent or 7 per cent unemployment is natural in this country and not serious, as women and young people make up a large proportion of the unemployed. It also tinkers with the unemployment insurance system to make it appear that the government is trying to do something. Another more insidious method is to tell the public that it has to live with high unemployment in Canada, which is somehow indigenous to our country and that the problem is too big to solve. In this bill, that is recognized by the action of disqualifying people, who want to work, from receiving benefits when through no fault of their own they become unemployed.

I reject the underlying philosophy, exhibited in this bill, that nothing of any real substance can be done about unemployment. Other industrialized countries in the western world, such as France, Japan, Britain, Sweden and Germany, between the years 1962 and 1973, had an average unemployment rate of 1.8 per cent. During that same period of time Canada had an average unemployment rate of 5.1 per cent. I have to ask myself why it is that other countries can do something about the high rate of unemployment but under the Liberal government Canada cannot. I reject the argument that nothing can be done, except to tinker with unemployment insurance or to implement temporary make-work programs such as Canada Works.

Some hon. Members: Hear, hear!

Mr. Symes: Other countries can do it. Surely there is enough competence in this country to do it, but obviously it is not going to be found on the government benches. The government says we cannot afford the cost of full employment programs. I say we cannot afford the cost of high unemployment which amounts to billions of dollars in lost goods, services, taxes, and unemployment insurance payments.

● (1750)

The major problem affecting national unity is unemployment. Look at any of the surveys carried out in Quebec and you will find that the major concern of Quebecers is unemployment and the failure of the federal government to show a meaningful presence in the economy by creating jobs. No wonder the Quebecers are disillusioned with the federal system when they see that the government has consistently allowed unemployment in the province to be higher in Quebec, comparably, over the years than in other provinces.

If we were to reduce unemployment by 350,000 we would add more than $6 billion to the gross national product, a sum equal to the cost of five Olympic games. I am arguing that we must create jobs rather than engage in the kind of nonsense we see in the bill before us. The government should be addressing itself to changing the structure of our economy to one which perpetually creates high unemployment. If other countries can bring down their unemployment rates by restructuring their economy, we can do so.

We shall never solve the unemployment problem as long as we continue to be dependent upon the export of raw materials as opposed to processing and manufacturing here. I come from a region in Northern Ontario where we are blessed with large supplies of raw materials. But I see what is happening. We are digging out our minerals and chopping down our trees and exporting the raw materials to other countries. As we do so, we export jobs, because the jobs are where the material is refined and processed. As long as we allow this to continue we shall remain hewers of wood and drawers of water. If the government were serious about restructuring this aspect of the economy, we could create jobs here at home. Instead, the government allows foreign-owned companies to buy up our minerals and forest products and export them to other countries so that the parent corporations can enjoy the benefits of manufacturing the finished goods.

Is it any wonder that today, because of the policy followed by successive Liberal governments, 60 per cent of our manufacturing industry is foreign-owned, and that over 95 per cent of our oil industry is foreign-owned? When foreign direction exists to such an extent is it any wonder we should continue to export our resources and, in the process, to export jobs? Is it any wonder that when there are economic problems affecting parent companies in the United States the first lay-offs should affect Canadian subsidiaries? Is it any wonder that virtually

no research and development is being done in Canada, with the result that our own research scientists and university graduates cannot find jobs here? Until we tackle the issue of foreign ownership we shall not be able to restructure the economy in such a way as to reduce the exporting of our raw materials, and jobs with them.

Instead of tackling unemployment by ending programs which have created it, such as the anti-inflation program, the government insists on continuing them. The anti-inflation program has taken hundreds of millions out of the pockets of wage-earners. Is it any wonder that we find ourselves in a situation in which factories have to reduce production because fewer people are buying goods? Is it any wonder that factories today are operating at only 83 per cent of capacity, or that they should be forced to lay off employees, with the result that unemployment worsens? We contended when the government introduced the anti-inflation program that it would only increase unemployment. Today this is apparent, but the program goes on nevertheless. What is the response? It is to tinker with the unemployment insurance system, making it worse, to give the appearance that the government is trying to do something about unemployment.

Supporters of this bill are failing to recognize that the number one problem facing this country is the shortage of jobs. We in this party will continue to oppose these amendments because they make it even more difficult for the unemployed to survive. If these people are disqualified their only resource is to starve in the streets or get assistance from municipal welfare, throwing an increased burden upon municipal governments which have the least ability to raise funds.

We want to see changes in the unemployment insurance program but, more important, we want to see increased employment opportunities.

The Acting Speaker (Mr. Turner): Order. It being six o'clock the House stands adjourned until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Turner): Does the Minister of Energy, Mines and Resources (Mr. Gillespie) have the unanimous consent of the House to revert to motions to table some documents?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PIPE LINES

TABLING OF NATIONAL ENERGY BOARD REPORT ON NORTHERN PIPE LINES

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I want to table, under the provisions of Standing Order 41(2), in both official languages, volume 1, "Reasons for Decision, Northern Pipelines," issued by the National Energy Board, and the technical supporting volumes 2 and 3 under the same name dealing with the technical, economic, financial, social, and environmental questions to which the National Energy Board addressed itself.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed consideration of the motion of Mr. Cullen that Bill C-27, to establish a Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be read the third time and do pass.

The Acting Speaker (Mr. Turner): Order, please. At six o'clock the hon. member for Sault Ste. Marie (Mr. Symes) had the floor.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, before we adjourned for the dinner hour I was addressing myself to the amendments before us in Bill C-27 to amend the Unemployment Insurance Act, and I was developing the argument that the government, rather than addressing itself to the fundamental and pressing problem of unemployment, preferred to tinker with the unemployment insurance system.

I was trying to outline why I rejected many of the arguments the government was putting forward to justify these changes to the Unemployment Insurance Act which will affect the unemployed at a time in our country's history when they are least able to defend themselves, at a time when our unemployment is as high as 8 per cent, and the projections are that it will be higher. I was pointing out that, rather than tinkering with the system, we need some fundamental changes in the structure of our economy to get away from always developing and exporting raw materials instead of processing them here in Canada, and that we should end the anti-inflation program which has created higher unemployment through

lowering demand in the economy by rolling back workers' wages.

I also want to stress that the government should be taking initiatives in the public sector that have some meaning in terms of job creation, that it should be undertaking some projects which meet direct human needs which the country is facing at this time. I can think of programs that we implemented back in 1972 when we had a lower unemployment rate and yet the government, because it was a minority parliament, found the money to institute needed capital projects for municipalities. I think of the construction of sewer and water mains, roads, transport facilities, and aid to institutions such as hospitals. These are areas in which there is a genuine need today to provide services and amenities, and yet we still have one million Canadians unemployed and a government that prefers to tax workers with higher unemployment insurance premiums rather than commit itself to some of these effective capital works projects that provided people with work in the past and provided the general public with needed services.

At a time when there is one million unemployed, the government cannot tell me that it has no precedent on which to base some kind of job creation program. I am not talking about the namby-pamby Canada Works projects that it keeps coming up with, or some of the provisions in the bill that we discussed earlier, such as work sharings to which the hon. member for Nickel Belt (Mr. Rodriguez) referred. At a time when the majority of Canadians do not have adequate shelter, the government should be doing something about high unemployment by instituting a housing program of some substance. To inject more funds into that would return to the federal Treasury funds ten-fold over as workers got back to work and carried their fair share of paying taxes and spending on goods and services. A housing program that would be meaningful is needed desperately, and it would provide jobs. We also know there are many homes needing repairs and renovations. We know that government assistance in urban renewal is needed. Municipalities have been begging the government not to cut back on urban programs but to maintain adequate funding and, indeed, to increase funding in that area. Yet we get a negative response.

● (2010)

I cannot allow the Minister of Manpower and Immigration (Mr. Cullen) to say that there are not ways to create jobs through the public sector. We know of instances in the past where there have been programs to develop parks, environmental clean-up programs and energy conservation programs, and programs like that could be undertaken now to a much greater degree than the phony and hollow program the Minister of Energy, Mines and Resources (Mr. Gillespie) announced recently. Programs for community services would not only provide services but also jobs.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned the idea of voluntary retirement at age 60. This would make new jobs available for people in the work force. Let us not accept the argument that unemployment is such a big problem that it escapes solution.

I pointed out that Canada has the worst unemployment record in the industrialized world. Through imaginative programs in the public and private sectors other countries have been able to reduce unemployment significantly. I categorically reject the negative thinking and the bankruptcy of ideas that the federal Liberals have imposed upon this country and upon the one million unemployed. That is not economic leadership; that is a rejection of the fundamental idea that a government has a responsibility to the people to create and maintain a sound economy.

We in the New Democratic Party feel that this bill would discriminate against the unemployed in the areas of the country where it is virtually impossible to find long-term work. It is no accident that in Atlantic Canada, Quebec, and northern Ontario there is a lack of long-term jobs. That lack exists because of the nature of the regional economies of those areas. I have been to Atlantic Canada; I come from northern Ontario, and I know what I am talking about. The figures show that in these regions those who can find temporary work are seasonally employed people. In Atlantic Canada, for instance, they work in fish plants for certain amounts of time when those plants are operating, or in some of the woodland operations, or in service industries. In areas like that where the economies are chronically weak, no matter how people try, they cannot find long-term work.

What does this bill do? It raises the qualifying period from eight weeks of employment before a person becomes eligible for unemployment insurance if he becomes unemployed to anywhere from ten to 14 weeks. We have pointed out that that kind of modification will throw anywhere from a quarter of a million to a third of a million people off the unemployment insurance roll and will force them on to municipal welfare rolls because, contrary to what the minister says, these are not people who are just marginally attached to the work force and who really do not need to work. These are young people looking for their first jobs or for jobs to finance higher education. They are women who have been forced to go out to work to supplement their family income because of the government's failure to keep down rising costs. They are people who have to work because their families depend on their incomes, and for the government to disqualify those young people, those women and those unskilled workers, when we have high unemployment, is cruel, heartless, and totally unjustified.

On the average in the Atlantic provinces and in Quebec, excluding the city of Montreal, we find that the requirement before one can become eligible for unemployment insurance benefits will be about ten weeks of employment. In Ontario it will range anywhere from 13 to 14 weeks. In my part of the province, northern Ontario, I suspect it will be about 13. On the prairies it will be about 14 weeks, and in B.C. 10 or 11 weeks. The hon. member for Nickel Belt pointed out that when the government institutes these 54 regions with their varying periods of qualification, there will be a bureaucratic nightmare. We already have problems with the Unemployment

Insurance Act as it is. When we divide the country into 54 regions, we will run into problems with people moving from one region to another.

I predict that this minister will have to hire more civil servants to make the already overgrown bureaucracy in his department even fatter. Worse than that, we will have an unjustified application of this act because we know that even within a region there will be differences. In Sault Ste. Marie there may be an unemployment rate of 7 per cent, but in the town of Blind River just a few miles away there might be unemployment rates of anywhere from 14 per cent to 20 per cent. There are regions like that all across Canada. People in towns which have chronic high unemployment are going to be caught by this increased qualifying period, and they will not be able to find jobs. They will be thrown off the unemployment insurance rolls and forced on to city welfare rolls.

This is a bad piece of legislation. It does not attack the fundamental problem of unemployment. Indeed, it attacks the unemployed. I know the minister likes to present the argument that the people who are going to be affected most are young people and housewives, those who really do not need to work, according to the minister. However, his own statistics gathered by his department and by Statistics Canada prove the contrary, that people who are eight to 11-weekers, those who can find only temporary work, are not the majority of those who are claiming unemployment insurance benefits. The minister tries to make the public think that this is a great number of people and that these are the groups who are draining the unemployment insurance fund, milking it and cheating it. That is just not so.

When we look at the statistics on the operation of the unemployment insurance system we find, for example, that in the first five months of 1976 those who worked eight to 11 weeks made up only 15 per cent of all the beneficiaries of unemployment insurance. That is not the great majority. The minister says that even if the figure is only 15 per cent, those people are not serious about working. He says they are in and out of the labour force trying to make a fast buck, and then drawing benefits.

In the first five months of 1976 63.8 per cent of all eight to 11-weekers in the work force were in Quebec and in the Atlantic provinces, areas with low job vacancy levels and histories of only seasonal work. They are not just housewives and young people. Many of them are adult males and heads of households who have to depend on unemployment insurance to keep bread on the table for their families because they can find jobs lasting only eight to 11 weeks, seasonal work. They have to depend on unemployment insurance benefits because of the government's mismanagement of the economy.

● (2020)

If that is not enough to convince the minister, we find that more men than women will be affected by this change in the Unemployment Insurance Act. To the argument raised by the Conservatives that the main beneficiaries of the eight-week attachment period were women and young people, not serious participants in the work force, the former minister said at the Standing Committee on Labour, Manpower and Immigration, on May 28, 1975, as recorded at the bottom of page 19:18:

> I think it is a bit of a red herring myself. I think there are other areas that have to be tidied up in the act that are far more significant than that favourite whipping boy of the short-term-work claimant.

Earlier, speaking of the eight-week attachment period, he said:

> The incidence of disentitlement or disqualification, as an effect of failure to meet one's obligation under the act, is lower amongst the group with a minor attachment (eight weeks) to the work force as their proportion of the total claims load than those with a long-term attachment to the work force.

I refer to the following figures again only because I know the minister has a hard time understanding them. In June, 1976, only 12½ per cent of unemployment insurance recipients were under 20 years of age; adult women made up 41.7 per cent of recipients, and adult men, 45.8 per cent.

Moreover, let no one accept the phony argument that of the women who collected unemployment insurance benefits, there were some who did not need to work to support the family. A study of unemployment in the years 1971 and 1973 found that unemployed wives tended to come from families with low incomes—women who had to work to meet the family bills, the higher food costs, higher clothing costs and higher energy costs.

This party argues that the proposed changes in the Unemployment Insurance Act to increase the qualifying period will hit hardest the young people and women who need to supplement the family income; they will hit hardest at areas of chronically high unemployment such as Atlantic Canada and Quebec and will not help the unemployed, as the minister likes to claim, by saving money that could be directed into other programs. The changes would just take money away from the unemployed in one area to help the unemployed in another and, in our opinion, that is no way to tackle this crucial problem.

I have tried to outline ways the government could act to create jobs. I have tried to show how this act will be discriminatory. It will hurt the unemployed, especially in regions where people cannot find long-term work. For these reasons this party will fight the bill to the end and try to convince the minister that this is not the approach he should take. He should be creating jobs, not attacking the unemployed.

Some hon. Members: Hear, hear!

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, when the Minister of Manpower and Immigration (Mr. Cullen) gave notice of changes to this act in December, 1976, the Minister of Labour for the province of Nova Scotia was quoted on the front page of the Halifax *Chronicle-Herald* as saying that such a move at this time could impose serious economic hardships in Nova Scotia. He said that the timing was wrong, that many people who wanted jobs could not get them, that the real unemployment figures were soaring and not just because people did not want to work. He also said that the provincial social services department would have to pick up

the slack for many jobless people left without UIC payments under the proposed changes. He is a Liberal, but was advancing an argument that this party has used in this House and which was repeated this afternoon in the speech of the hon. member for Nickel Belt (Mr. Rodriguez).

We find it incredible that at a time of the highest unemployment since the depression, this government attacks unemployment by proposing a change in the eligibility for benefits, thus indirectly attacking the unemployed who need help the most.

Members from northeastern New Brunswick where 25 per cent to 30 per cent unemployment is normal, from Cape Breton as I am where 20 per cent to 25 per cent unemployment is normal, or from Newfoundland where most areas except St. John's are equally affected, are all appalled that at this time, when this nation has such high unemployment, the government would be so heartless and cruel as to offer these changes as a means of alleviating the problems which affect the poor and the low income groups.

This afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) described the depression and its effects upon the people. Although he did not argue that unemployment is felt as severely now as then, he said that in many ways the effect could be worse because if unemployment amongst the younger generation keeps increasing we will in effect be sitting on a tinder box. We are alarmed at the composition of the unemployed in this nation and the growing unemployment amongst young people—the minister had the nerve to refer to them as kids—young adults graduating from high school ready to enter university, vocational or technical schools at a time when all these institutions are increasing their fees. Both parents need to work to meet the increased cost of living, and the consumer price index is rising to a higher level than was anticipated by the Anti-Inflation Board even four months ago.

The path we are following could easily lead us to double-digit inflation by next new year yet all the government offers at this time to low income people is a proposal to tighten eligibility for unemployment insurance benefits.

The reason there is so much unemployment in Canada today is basically because there has been less than 5 per cent growth in the gross national product for three years in a row. I know the minister and his cohorts who draft the changes to the Unemployment Insurance Act do not like to hear us quote the Economic Council of Canada. The basic reason is that we had 3.2 per cent growth in 1974; the rate went up .6 per cent in 1975, was 4.6 per cent in 1976, and right now, according to first quarter figures and the report of the Conference Board, we shall be lucky if we see a growth rate of 4 per cent, a rate which will not even absorb new entrants to the labour force. Therefore one must conclude that unless we can keep young people in school longer or use gimmicks to keep them out of the labour force, unemployment this winter will be between 8.5 per cent and 9 per cent. The ones hardest hit will be young adults, and married women who must work to supplement the family income.

• (2030)

The minister and hon. members opposite who spoke put forward a naïve philosophy in support of this bill. Mr. Speaker, the proposed changes in eligibility will affect kids and housewives they say, but I say these are young adults and housewives who must work. If the head of a household earns $25,000 or more, there is no need for the wife or married partner to have a secondary attachment, or marginal attachment as the minister calls it, to the labour force. That family can maintain a decent standard of living. But if the head of the house is making less than $20,000 per year, the married partner must work in order to maintain a decent standard of living. Some call that materialistic. When our middle or upper classes want to improve or maintain their high standard of living, we do not say they are materialistic; therefore why should we accuse people earning between $12,000 and $14,000 a year of being materialistic if they want to aspire to a decent standard of living?

Mr. Rodriguez: Right on.

Mr. Hogan: And I say nothing of the 20 per cent of Canadian families who live on a measly $6,000 or $7,000 a year.

An hon. Member: The working poor.

Mr. Hogan: Yes, the working poor and the poor. This bill neglects them. Instead of changing the act, the government should change its policy, to provide jobs in this country.

The growth figures I mentioned previously show that at least 2 per cent or 3 per cent of Canadian unemployment is due to deficiency of growth, or what economists call deficiency of aggregate demand. In plain words that means there is too much unused factory capacity in this country. We underutilize our manufacturing sector and underutilize our human beings, as one can readily see from official unemployment figures. Those figures say nothing of the hidden unemployed. There may be between 200,000 and 400,000 more unemployed than our official figures show, depending on whose figures you accept. Our statistical unemployment figures do not reflect accurately our underutilization of human beings. Mr. Speaker, underutilized human beings and underutilized economic capacity are the main reasons for much of our unemployment.

When the Minister of Finance (Mr. Macdonald) brought down his budget recently he said implicitly something the Prime Minister (Mr. Trudeau) had said explicitly, namely, that our people are trying to take too much out of the economy. He tried to recite the classical formula of inflation, too much money chasing to few goods. He used a monetarist argument which bears little relationship to our economy which suffers from the underutilization of human beings and factory capacity. Mr. Speaker, if it were a fact that Canadians are taking too much out of the economy, our factories would work at 100 per cent and unemployment rates would be in the vicinity of 4 per cent or 5 per cent. But that is not the case. Our unemployment rates are in the 8 per cent to 8.3 per cent region and, if the projections of the Conference Board based

on first quarter figures are correct, this winter unemployment could go up to 9.0 per cent.

The minister, and the hon. member for Hamilton West (Mr. Alexander), have suggested that we oppose job creation. That is nonsense. If the government had listened to my party's leader at the time of the last budget it would have cut taxes for this country's low income people, increased demand, and put our factories back to work. Instead of doing that, the Minister of Finance, on the advice of Mr. Bouey, Governor of the Bank of Canada, adopted the sort of policies Mr. Simon, United States Secretary of the Treasury under President Ford, adopted to fight inflation.

The government is trying to cure inflation by creating more unemployment, and the sad part of it is that it is not curing inflation, because it is getting worse. My authority for saying this is the projection of first quarters figures to which I referred earlier. Mr. Speaker, we must tackle both inflation and unemployment. You cannot argue simplistically that cutting income tax for lower income groups would so increase aggregate demand as to push inflation up. The government still thinks that too much money is chasing too few goods, and will not cut taxes for lower income people. On the other hand upper income groups already avail themselves of many tax loopholes, and if you increase their incomes you merely enable them to increase their personal savings. The people in the upper income levels are already increasing their savings, but the people lower down on the scale are not. We need to correct this.

Mr. Breau: That is the government's policy.

Mr. Hogan: Of course it is the government's policy, but it is wrong.

Mr. Breau: The hon. member is stating the government's policy.

Mr. Rodriguez: Listen. He said it is wrong.

Mr. Hogan: I say the government should have decreased taxes for people at the lower end of the income scale. This would have stimulated demand and decreased unemployment. But the government chose not to do this. It should have acted to bring interest rates down. It chose not to do this because it is imbued with the notion that our inflation is a result of too much money chasing too few goods. When will the government get it into its head that its policies lead to the underutilization of human beings, as measured by our unemployment figures, official and hidden, and the underutilization of manufacturing capacity?

The government would not have increased inflation if it had cut taxes for lower income people. In the face of slack demand prices would not have risen. As it is, some powerful corporations could well push prices up in future; and such inflation could be termed cost-push inflation, which must be tackled by other means.

Mr. Breau: Like wage and price controls.

[Mr. Hogan.]

Mr. Hogan: Which have worked beautifully, I suppose.

Mr. Breau: And controls on big unions.

Mr. Hogan: You are controlling costs beautifully.

Mr. Breau: Are we controlling the big unions?

Mr. Symes: You are taking the money out of the pockets of workers.

Mr. Breau: Yes, workers making $10 an hour and more.

Mr. Hogan: Do you want to make a speech?

Mr. Orlikow: He hasn't got the guts now, after what he said.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. Will the hon. member please address the Chair? He has been recognized, to allow him to make a speech.

Mr. Hogan: Mr. Speaker, the government's policies have led to a deficiency of aggregate demand and deficiency of growth, and are causing a great deal of hardship. At the same time, they are not tackling the structural problems of the Atlantic region, and other regions, including Ontario and Quebec. When will the government get the message that you cannot continue to protect with high tariffs that are the highest in the western world, about 30 per cent? They were started under Sir John A. Macdonald in 1879 and have continued until 1977. Now the government is finding that this is beginning to catch up to workers in the textile industry and other areas.

● (2040)

The government kept postponing the adjustments that had to be made. Plants did not modernize in Quebec and Ontario. We are paying for it with higher costs. It is now necessary to have import quotas in order to keep the unemployment rate in Ontario and Quebec from going sky high. There are other forms of protective measures as well.

The structures in the Atlantic region must be examined. DREE policies are not doing the job. I raised this with the representatives of the Economic Council of Canada when they appeared before the DREE meeting. There must be new types of institutions to co-ordinate better the funds for development going from the federal government to the provincial governments in order that there will be an actual increase in per capita earned income in the Atlantic region, instead of maintaining per capita income as the criterion by which we should be judging growth in the Atlantic region. You cannot judge growth in the Atlantic region in that way. You cannot argue on a per capita income basis as proof of development.

There must be more than just transfers in terms of unemployment insurance into these areas. There must be jobs. The people there must be allowed to make a productive contribution to the Canadian economy. We must close the gap of earned income per capita. However, the government does not

think along those lines. It only suggests that possibly new institutional arrangements will be needed.

No one pretends that in a federal state where there is a division between the federal and provincial levels of government and the child of provincial governments, the municipal governments, that it is easy to do these things.

We have to get at the root of the problem rather than by just making transfer payments into the Atlantic region, whether through baby bonus grants, unemployment insurance grants or what have you. That is really only a band-aid approach. That might sound too socialist to some people; what do they offer alternatively?

Mr. Kaplan: That's nuts.

Mr. Hogan: You listen and I will tell you.

Mr. Kaplan: It just doesn't add up.

Mr. Hogan: The hon. member for York Centre (Mr. Kaplan) should know that growth in the major metropolitan areas is buttressed by DREE at the expense of employment in the outlying areas. That is a situation in every province, starting from Newfoundland through to Nova Scotia, New Brunswick and into Quebec, Montreal and possibly Quebec City, where the large areas are supplemented by DREE. I know this is so in the Atlantic region. There is recently an attempt to change this, but it is not a serious attempt.

This is contributing to the over-all unemployment situation in Canada. This failure of government policy to create more growth is causing the cyclical high unemployment that we have at the present time. It is failing to correct regional disparities with serious efforts to increase earned income per capita in areas such as the Atlantic region and Quebec.

Several members have raised this point. I want to emphasize it once more. A very serious problem exists for the young people of this country. I am not talking about kids, but about people who have finished grade 12. We do not have grade 13 in my area. These people would like to go to vocational or technical schools and on to other forms of higher education.

These young people cannot get jobs because there is not enough money in Young Canada Works. The minister stated with regard to job creation that we do not need to worry about the effects of the change of eligibility for unemployment insurance. He stated that with the changes he is now introducing the Canada Works grants to these areas will offset any loss. I wish to quote some figures for the benefit of the minister.

For the first quarter net benefit period of 1976 for Glace Bay, these was $1.744 million in unemployment insurance. By 1977 that increased to $2.18 million. In Sydney it was $4.21 million for the first quarter of 1976, and $5.02 million for the first quarter of 1977. I have not referred to areas such as Port Hawkesbury and Inverness in the constituency of the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), but the situation is the same there.

Active claimants for unemployment insurance for the first quarter of 1976 averaged 76 units of people. In Glace Bay last year there were 2,112, and for the first quarter of this year 2,260. Last year in Sydney there were 4,935, and 5,300 this year. This indicates a complete failure of the government's programs to create jobs in these areas. Why would they want to put more unemployment insurance money into those areas than money to create jobs? This is what the government has been doing with its LIP project, the son of LIP, Canada Works, and the son of OFY, Young Canada Works.

The minister solemnly stated in this House that Canada Works was different from LIP because it would create permanent jobs for 50 to 52 weeks of the year. It is true there is a difference between Canada Works and LIP in that there are two stages of Canada Works as opposed to one stage in LIP.

I took down the figures the minister quoted. I found that the allocation to Cape Breton for the first part of the LIP grant was $349,000 for my constituency, $382,000 for the constituency of the hon. member for Cape Breton-The Sydneys (Mr. Muir), and $347,000 for the constituency of the hon. member for Cape Breton Highlands-Canso.

Mr. Breau: There should be more there.

Mr. Hogan: If you want to offer patronage like you do, that is fine. In any event, that is not much money when you consider there were 14,445 persons on active claims at UIC offices throughout Cape Breton Island in February of this year. The total labour force for the Island was about 48,000. That means one in four was drawing unemployment insurance benefits and not contributing to the economy.

What is most discouraging is the fact that this does not even take into account all of the young people entering the labour markets who cannot find jobs and are not eligible for unemployment insurance benefits. This money does not even begin to tackle the problem of unemployment in that area. My allotment provided the equivalent of 43 jobs for one year, and the other constituencies will get the equivalent of 41 and 47 jobs for one year. This is terribly discouraging, especially in an area with a housing problem which is some 70 years old.

● (2050)

Houses in mining areas, for example, desperately need repairs, to say nothing of the need for at least one new coal mine in these times of increasing oil prices. So far as the housing problem is concerned, I wrote to the Minister of State for Urban Affairs (Mr. Ouellet) and he sent me back information about increases for all of Nova Scotia. In my letter to him I said this:

> When the Hon. Barney Danson was head of your present department, he went to Cape Breton for a special meeting and personally told me that he was shocked at some of the housing that he had seen.
>
> I have been trying to get the Cape Breton Development Corporation and CMHC involved in a special program for the mining communities are often left a legacy of old (about 70 years and over) company housing which I have often referred to as proletarian housing. They lack basements and many of them that are now owned by coal mine pensioners and/or their widows are going down the hill fast and are creating blighted areas in various sections of the mining towns.

In fact, Mr. Speaker, incipient slum areas are being created. Continuing:

Enclosed is a recent copy of a letter which I sent to Mr. Matheson, who is presently the head of Devco. I cannot see why CMHC and Devco cannot get together to offer these pensioners and widows a special rehabilitation package. It would save a large problem for the future as I see it and would create jobs that are badly needed there now.

This is particularly so in light of the unemployment insurance figures to which I have referred.

A five to ten year plan would not be that expensive. I, personally, would like to see an experiment on this type of rehabilitation carried out over a five year period, with the worst homes being chosen.

Even though the pensioners are generally below $6,000 in family income, I would expect that they would have to make some contributions because I don't want such a program to be looked on as just welfare. Some of them may be capable of putting some sweat equity in but in any case they should be required to make some financial sacrifice in return for this effort.

Devco officials have, in the past, not considered this as a part of their obligation under the Cape Breton Development Act as I see it, though they are in the housing field to some extent already by holding an equity in Reeves Modular Homes (for the building of new homes). This is worth while but is totally beyond the ability of the pensioners and/or their widows to pay.

I wish you would seriously discuss this matter with Mr. Curran, CMHC manager in Sydney and with Mr. Matheson of Devco to see if we cannot get something started in the mining towns of Cape Breton.

The present NIP and RRAP programs are too slow and cumbersome to meet this need in an efficient way. In fact, I would go so far as to say, as I have in the attached letter, that for some of the mining areas of Cape Breton, and I am sure it would hold in other places that have an old stock of company houses, that having an area declared a NIP one before you can get RRAP funding, is putting the cart before the horse. The dominant need in such areas of old housing stock is home repair and neighbourhood improvement should follow, giving the people decent shelter.

I realize that you have all of Canada to think about but a slavish universal clinging to any federal program is one of the things that can get any federal state into difficulties. This is but one example of how this is happening in Canada today.

As I have said, there is more unemployment insurance being paid in my area than is required to provide short-term and medium-term jobs, such as constructing decent homes for the people over the next 20 years. This would create jobs in the construction industry and would have a multiplier effect on the economy as well as reducing unemployment in the area by perhaps 2 or 3 per cent.

I disagree with the hon. member for Hamilton West. The reason I am still opposing this change in eligibility is that we are not getting the guarantees which are shown in the first phase. Why should we leave people subject to the whim of government when we know that instead of spending money on unemployment insurance the government could spend it on creating jobs even for the short term? I suggest there is something seriously wrong with the co-ordination which should exist between the various departments. The finance department is, of course, talking outmoded economics. It is of the view that the prime cause of inflation in this country is too much money chasing too few goods—a demand-pull inflation. That is not why we have an inflationary spiral in Canada.

We can improve the cyclical unemployment picture by stimulating the economy. I hope there will be a budget this fall which will cut taxes for low income groups and reduce their mortgage rates by one or 2 per cent. At the moment there is a moratorium on public housing in Nova Scotia because CMHC and the province cannot get together. As a result people are being pushed off into slum housing. The government is paying as much unemployment insurance in some of these areas as it is in some places in Newfoundland, and this is why the government should make a special effort to create jobs instead. In so doing it would be helping national as well as regional policy.

[Mr. Hogan.]

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, frankly it makes me somewhat uneasy and perhaps somewhat embarrassed to talk about unemployment in a country as beautiful and as big as Canada, a country which is enormously wealthy and young and which has incredible potential. It is truly sad to talk about unemployment when there are underdeveloped and poor countries which envy us our wealth. They must think we are stupid not to find the answer to stimulate our economy and correct the present situation.

Mr. Speaker, unemployment can be considered a waste of human resources. Statistics Canada has given a rather dark picture of work possibilities for Canadians in 1976 and 1977. According to these reports from economists, Mr. Speaker, stagnation threatens several regions of our country and the social and economic effects of such a situation can no longer be ignored. Indeed, I have received in the last few weeks many copies of a petition asking for the withdrawal of the bill now under consideration, Bill C-27. Up to this time, approximately 6,000 people have signed this petition which reads as follows:

I, the undersigned, am opposed to the bill introduced by Minister Bud Cullen and denounce it as being unrealistic, misleading, discriminatory, catastrophic and reactionary, and demand instead the implementation of effective programs to fight against seasonal unemployment.

Mr. Speaker, it is true that the bill introduced in the House by the Minister of Manpower and Immigration (Mr. Cullen) on December 10 of last year contains some amendments which are important for all workers and unemployed in the country, especially in eastern Quebec and the Maritime provinces. Bill C-27 stipulates that from now on a claimant will need to have worked at least 12 weeks to be entitled to unemployment insurance, instead of eight, as the present legislation provides. Moreover, claimants having worked fewer than 25 weeks will of course be entitled only to an initial benefit period and will lose the right to benefits during the following periods: an extension period according to the period of unemployment, an extension period according to the national unemployment level, an extension period according to the regional level of unemployment, an extension period according to the gap between the national and regional levels of unemployment.

In any case, Mr. Speaker, our courageous workers are going to lose some benefits because of this bill as is indicated in the following data, an illustration which will give us an eloquent but rather frightening idea of what is going to happen, if this bill is passed. The eight-week working period, according to the present law, entitles one to 44 weeks of benefits. Under the new law, not a single week. Ten worked weeks entitles one to 44 weeks of benefits under the present law. But with the new

law, naught. Twelve worked weeks entitles one to 44 weeks of benefits, but under the new law, 12 weeks only. And so on and so forth, Mr. Speaker. As has been said before, the bill pretends to be realistic, and of course, it is the case as it is brought forward at a time when all our economists foresee an important slackening in our economic activities and a sharp rise in our unemployment level for 1977.

● (2100)

Misleading, because in the presentation of the budget they minimized the savings that the commission is going to make by insisting on the job creation programs without first ensuring that these very programs will affect the same unemployed people that are affected by the cutback. One can in fact foresee that the Canada Works Program will not really affect seasonal workers in the Gaspé peninsula, in northern New Brunswick, the fishermen and the people who work in the seasonal hotel industry and so on. It is discriminatory because it eliminates completely from the benefit of unemployment insurance all seasonal workers, married women, students who hold a summer job, yet do not qualify for the 12 weeks of employment even though they still have to pay their contributions to the unemployment insurance fund. This measure is catastrophic from an economic standpoint for the lower St. Lawrence region, the Gaspé region, northern New Brunswick and probably all the regions affected during those months when unemployment is at its highest level and the unemployment insurance will make savings of several millions of dollars through those cutbacks and that on the backs of the workers. It is a reactionary measure from a social standpoint because it will substantially increase the number of people on welfare given the absence of efficient programs to fight seasonal unemployment in the lower St. Lawrence and the Gaspé region.

Mr. Speaker, the present government insists on the fact that it has had to give priority to the fight against inflation even if that fight was going to contribute in a painful soaring of unemployment in Canada, an increase such as we have not known since the thirties. In fact, in my humble opinion, that is quite ridiculous, as I said previously, in such a vast and rich country as ours where so many things should be done whereby we could employ all the present unemployed people and still another million individuals. We would not even have enough people to fill the positions required to accomplish all the tasks which we should carry out in this country, such as building houses for middle income workers and senior citizens, such as constructing roads, improving the landscape, cleaning up all beaches, and what else. Mr. Speaker, it is not because there is no work to be done that we have unemployment, it is because the financial system does not meet the need of society in 1977.

Let us take as an example the shoe industry situation. In the last 12 months, 21 shoe manufacturing plants went out of business in Canada, which resulted in the loss of 2,500 jobs when we are now experiencing, as I was saying a moment ago, the highest unemployment rate in 37 years. Yet, what is the government doing to correct this situation? Nothing at all. They are making studies, they are studying and studying. Besides, when questions are asked, the answer is that the matter is under study. In other words, while fighting inflation, the federal government slowed down the economy which resulted in a very high unemployment rate, particularly in Quebec, even though inflation in this province has not been the main problem since 1967. Quite the opposite, the main problem is undoubtedly the economic revival and job creation.

In this context, it can easily be understood why an ex-minister of the Liberal government could say: "If we do not succeed in decreasing the unemployment rate, the number of revolutionaries will increase, and Quebec will not have enough police officers to control the number of people revolted by the present system." Mr. Speaker, official opposition members are probably right when they say that the action proposed by the government to fight unemployment does not give the expected results. Here is a study entitled: *Data on unemployment 1960-1971*. That review enables us to analyze the comparative unemployment situation in 1960, 1965 and 1970. Here is the average annual unemployment rate for each of Canada's five regions. In the Atlantic area, the rate was 7.6 per cent of total labour in 1970, 7.4 in 1965 and 10.7 per cent in 1960, under a Progressive Conservative government. In the Quebec region, the rate was 7.9 per cent in 1970, 5.4 per cent in 1966 and 9.1 per cent in 1960. This means that unemployment was higher in Quebec under the Progressive Conservatives in 1960. In Ontario, the trend is similar. A 4.3 per cent rate in 1970, 5.4 per cent in 1960. In the Prairies, 4.4 per cent in 1970, and 4.2 per cent in 1960.

In British Columbia, the rate was 7.6 per cent in 1970 as compared to 8.5 per cent in 1960, which was under the Conservatives. With such a poor unemployment performance, I suggest the opposition parties are in no position to give lessons, and they should be the last ones to criticize the government for not solving unemployment.

Seasonally adjusted statistics for January 1953 to December 1971 provide the following unemployment data for the periods from 1959 to 1962, under a Conservative government, and 1968 to 1971 under the Liberals. Well, Mr. Speaker, I think I have quoted enough figures. I simply wished to emphasize that political parties, whether Liberal or Conservative, have no magic wand to stop unemployment and control inflation.

We in the Social Credit Party of Canada believe we possess this magic wand and even if other members have often made a mockery of us, the fact remains that if they have a better alternative, I wish these gentlemen of older parties would give us some indication about it, so that we can work on it. I suggest that up to now, only the Social Credit Party of Canada has seemed in a position to do something or advocated a policy likely to fight inflation while solving the unemployment problem. I can see some members opposite or on my far right smiling. Their smile is meaningless and apparently they are satisfied with the present situation and the distressing plight of almost 700,000 Canadians who are almost always unemployed. This does not seem to affect them.

We in the Social Credit Party of Canada want to ensure the economic freedom and security of each and every Canadian

and for this purpose, we are proposing to the Canadian people to implement a system which is said to be a new one whereas I believe it has been experimented in several places, where it was quickly removed as were those who were administering it. One can say that the mover of this alternative comes from England and wrote a volume on the Social Credit philosophy in 1916. For many people, social credit is a monetary reform plan. This is obvious! This is why in these days when money or credit is scarce, the monetary reform they are advocating is so popular.

The Social Credit Party of Canada is more than that. It is a social credit and a philosophical policy, that is to say that social credit is a philosophy rather than a policy. However, whenever a problem arises at home, it cannot be solved outside the door. Therefore, this is why in the political field it is important to attempt to put everything in order. The expectations of the Social Credit philosophy can be defined as an association or the power of human beings living in society to achieve the desired results in order to meet their needs.

So, Mr. Speaker, the way things are going, it is obvious that the traditional parties are helpless. All they can do is try to put people to sleep with all sorts of nonsense and let the skunk grow, as I said not too long ago in one of my speeches. You get used to the smell and to the idea that nothing can be done about it and that it must be suffered until the skunk dies by itself.

In conclusion, Mr. Speaker, I simply want to say to the government that it is now faced with a sizeable challenge and that I think it should consider creating immediately more jobs, particularly jobs suited to the needs of the people, the working people and which would have the effect of allowing those people to regain their pride and dignity lost through idleness, and at the same time they could make their contribution to the unification and the harmony of a beautiful and great country. I dare believe that those few words will have the effect of making the Minister of Manpower and Immigration (Mr. Cullen) think and that he will withdraw this bill, at least for the moment, because if it were passed as it is that would have terrible effects on the working class and all the people in my area and in northern New Brunswick.

● (2110)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to join my colleagues in opposing the measure before us. We have opposed this bill from the beginning because we have never believed, nor do we believe now, that the reason unemployment insurance benefits cost the taxpayers so much is because there are large numbers of people who do not want to work and are living off the system. We believe the reason there is more unemployment today than there has ever been since the end of the Second World War, or even since the great depression, is not because people are suddenly unwilling to work but because the economic policies of the government have helped to create unemployment and made it more difficult for people to find jobs.

I find it interesting that the major opposition to this bill has, from the beginning, come from members of the New Democratic Party. I find it interesting that from among the 16 members of parliament who belong to the NDP only two, the hon. member for Cape Breton-East Richmond (Mr. Hogan) and the hon. member for Northwest Territories (Mr. Firth), represent constituencies which have very large numbers of unemployed. My constituency has so few unemployed that the amount of money available under Canada Works and Young Canada Works is the minimum allowed for that type of program.

When the bill was before us last March stories appeared in the newspapers that Liberal members from the maritimes would vote against the government and bring about its defeat because the bill was so bad. Let me quote from the *Globe and Mail* of March 21, 1977—I wish the hon. member for Gloucester (Mr. Breau) would listen to some of the things he said back in March and compare them with his silence today, rather than sit talking to the minister as he is doing now. The report in the *Globe and Mail* reads:

> Herbert Breau, Liberal member for Gloucester, said the group was concerned about worsening unemployment in the country, especially in the maritimes.

Then the article goes on to give the figures. I am not surprised the hon. member was concerned because, according to the *Canadian Press*:

> The Atlantic provinces were the hardest hit, with unemployment rates of 15.1 per cent in Newfoundland, 13 per cent in New Brunswick, 11 per cent in Nova Scotia and 9 per cent in Prince Edward Island.

The story continued:

> Mr. Breau said in an interview, "We may or may not vote against it, but we have communicated our serious concerns to Prime Minister Trudeau, Manpower Minister Bud Cullen and the four maritime ministers."
>
> "We will wait for a definite answer from Bud Cullen before making a decision to vote for or against the bill when it comes before the House."
>
> "My constituency has one of the highest unemployment rates in the country—as high as 30 per cent now—and these provisions will make the situation worse. I have to consider the welfare of my constituents."

Well, Mr. Speaker, the hon. member has been conspicuous by his silence in this debate. Yet nothing has really changed. Nothing has been done by the minister which will be effective in helping the unemployed in the hon. member's constituency.

On March 19, 1977, a couple of days earlier, the Toronto *Star* carried a news story under a big headline "Trudeau Faces Revolt by MPs over Jobs Bill". The first paragraph read:

> The Trudeau government faces a backbench rebellion if it insists on pushing through a bill to make it even tougher for jobless Canadians to get unemployment insurance benefits.

The report continued:

> The government could fall if Newfoundland MP David Rooney gets the four other Atlantic Liberals he says are also opposed to the bill to join him in voting against it. The five, he says, have agreed that the bill is unacceptable to them in its present form.
>
> Rooney says he is so disgusted by the harmful effects of Bill C-27 that he is prepared to risk Liberal defeat to down the measure, and already he has the support of enough colleagues to bring down the government.

● (2120)

Later in the story they quoted the hon. member for Bonavista-Trinity (Mr. Rooney) as follows:

"The cabinet would have got the bill through by now if it hadn't been for us holding up our support", said Rooney. "We've been under tremendous pressure to give in. But if I voted for that bill I'd be a martyr to my party and a traitor to my constituents.

"Most Canadians think of the jobless as a minority—and often a lazy one. In my district, I believe they're a tragic majority, and a bitterly disappointed group of people who want to work. There just aren't any jobs for them."

Has there been a sudden upswing? Are there suddenly thousands of jobs in the Maritime provinces? Of course there are not, and there are no prospects. The government's own service—there have been official press releases and those we have been able to hear about because somebody in the government service has felt they were so important that the information must be disseminated to the public whether or not the public likes it—tells us that unemployment this year will be at least 8 per cent and closer to 9 per cent, and prospects for 1978 are even worse than for 1977.

But of course the hon. member for Gloucester, and I suppose the hon. member for Bonavista-Trinity, will say, "But the bill is quite different than it was back in March. We forced the government to change things". As a matter of fact while my colleague, the hon. member for Cape Breton-East Richmond, was talking, the hon. member for Gloucester, who was so opposed to the bill back in March, was interjecting. He was not getting up to speak in support of the bill and of course not saying those things publicly which supposedly he was saying privately back in March. He was not saying anything.

Mr. Breau: Read my speech on second reading.

Mr. Orlikow: Yes, I know the kind of thing you were saying. What has happened? How many changes have there been to make the hon. member accept the bill? Let us look at these changes.

Mr. Breau: Changes amounting to five weeks.

Mr. Orlikow: The hon. member can speak later if he wishes. What are the changes which have made this bill acceptable to him? The changes would have Canadians work a minimum of between ten and 14 weeks in a year to collect insurance, depending on the unemployment rate in their area.

When the hon. member for Gloucester and other members were opposing the bill back in March, it proposed increasing the required minimum work period from the present eight weeks to 12 weeks. Under the minister's compromise proposal, Canada would be carved into 54 employment areas, those used by Statistics Canada in its monthly unemployment survey, to calculate the number of weeks a person would have to work to claim unemployment insurance benefits.

I said at the beginning of my speech that in the city that I represent there is not the kind of unemployment that exists in the Maritimes or in Quebec, whose members, at least Liberal members, have been singularly quiet about unemployment despite the fact that they have a 10 per cent rate of unemployment.

One thing I do know from listening to people who have problems in terms of unemployment, from listening to people who came ten days ago to tell the hon. member for Winnipeg North Centre (Mr. Knowles) and myself about how unemployment was affecting them, is that there is a universal feeling that the Department of Manpower and Immigration and the UIC do not react very quickly, very sympathetically, and very effectively to problems such as unemployment. I do not have the faith which the hon. member for Gloucester seems to have in this proposal for 54 different regions, each one having a different requirement period.

Mr. Breau: I would like to ask the hon. member a question, with his permission, and I think he is giving it. Is the hon. member aware that the proposal in Bill C-27 which was the most harmful to high unemployment areas such as mine and the maritimes in general was not the eight to 12 weeks provision but the change in the benefit structure that would have caused people with a minor attachment to the labour force to lose three months of benefits? That benefit structure has now been changed so that the effect on the minor attachment claimant is not three months less but the same as it was in the original program. Is the hon. member aware that the most important change to the people with minor attachment to the work force is that they will now receive 44 weeks of benefits?

Mr. Orlikow: Mr. Speaker, I hope you will not deduct the time of that long so-called question from my time. I will answer the hon. member. If he had waited a couple of minutes I would have gone over precisely that change.

Under the minister's compromise proposal, as I said, Canada will be cut up into 54 regions. I say that that will be a bureaucratic nightmare. It may give employment to some of the economists and statisticians who have been graduating from Canadian universities and cannot find jobs, but certainly it will not help the unemployed, and there is no one who should know it better than those hon. members who come from high unemployment areas, such as the hon. member for Gloucester.

Before I get away from the original proposal of the 12 week work period required for qualification to the present ten to 14 weeks, I want to remind the hon. member for Gloucester, and some of his constituents I hope, that under the proposal which he is supporting the variable period will be re-examined after it has been in place for a while and the qualifying period will increase to a uniform 14 weeks across the country after three years, unless it is specifically extended by parliament. In view of the record of this country under both Liberal and Conservative governments of being unable to lessen regional disparities, in view of the fact that the people of New Brunswick, Nova Scotia, Newfoundland and eastern Quebec continue to be far behind the areas of high employment in Ontario, B.C. and Alberta in terms of wages, and in view of the hon. member accepting the idea that three years from now a person will have to work 14 weeks to qualify for unemployment insurance benefits, I say that the hon. member for Gloucester has sold out his constituents.

Mr. Breau: I will be here in three years.

Mr. Orlikow: Part of the reason you will be here is that they may not know.

Mr. Breau: You don't expect to have much influence in three years.

Mr. Orlikow: If the hon. member does not have more influence in three years than he has this year, things will continue to be bad for his constituents.

Mr. Breau: You never know; the NDP might be in power in three years.

Mr. Orlikow: This provision is changed to allow claimants up to 32 weeks of regional extended benefits. The bill as originally introduced called for a maximum of 20 weeks. Regional extended benefits are also calculated on the rate of unemployment in a given region. What this means is that the bill as it is now changed is not worse than it was before. What good does that do for the people of New Brunswick? What the hon. member is doing when he accepts that kind of proposal is to accept the fact that the people of New Brunswick will continue to be plagued by high unemployment as they have been through all these years of Liberal government. That is the situation, and I say that Liberal and Conservative members of parliament from the maritimes, and Liberal members from Quebec, particularly that part of Quebec east of Montreal, have not represented the best interests of their constituents by supporting this bill, even as it is amended.

● (2130)

Some ten days ago the hon. member for Winnipeg North Centre and I spent a day hearing representations from some of our constituents about the employment situation as it affects themselves and people they represent. As I said at the beginning of my speech, ours is not a high unemployment area, and yet as I listened to the representations made to us I could not help but be reminded of the years before World War II. It is true that the situation is not exactly comparable to what it was in the 1930's. It is true that people are not actually going hungry these days, because we have unemployment insurance benefits, welfare, and old age pensions. However, there are people who are unemployed, even in areas with relatively low rates of unemployment. The unemployed are no longer the poor, the uneducated, and the native people. What we have now is the kind of unemployment we have had for a number of years, but added to it we have unemployment among some of the best educated and highly trained people this country has even seen.

I want to put on the record some of the representations which were made to us. The president of the Building Trades Council, Leo Desilets, appeared before us, and I am going to try to summarize what he said. He said that unemployment in Winnipeg is the worst it has been since 1961. He believes that 1978 will be worse than 1977. He said there is little in the way of projects on the planning boards to be started. Usually projects in the construction industry begin in the spring. This year very few were started. Mr. Desilets represents about 15,000 workers normally, but he pointed out to us that federal, provincial and municipal governments have shelved a number of projects, because along with the anti-inflation legislation came a call from the federal government to municipal and provincial governments that they, together with the federal government, should show restraint, and restraint means that projects which had been planned and announced are not being proceeded with. The hon. member for Gloucester interjected a little while ago and referred to $10 an hour workers who are unemployed, as if it is a disgrace to get $10 an hour.

Mr. Breau: I did not say that.

Mr. Orlikow: That is how it sounded. If the hon. member did not mean that, I am happy he did not mean that because I do not think a person is living particularly high off the hog these days at $10 an hour, particularly construction workers, who are lucky if they work eight months of the year.

Mr. Breau: I did not say that.

Mr. Orlikow: I thought I heard it.

Mr. Breau: I was talking about income, not unemployment.

Mr. Orlikow: Mr. Don Posnick, a representative of the United Steel Workers of America, reported to us what has happened to members of his union in the last six months. They are organized, and they bargain for 32 plants in the area. The situation for those workers is grim. Usually when there was a lay-off in one plant, Mr. Posnick told us that the union was able to direct laid off workers to another plant. This year that is not possible. Co-operative Implement is down from 1,000 workers last year to under 500 now. The reason it has that many working is that the company is operating on a four-day work week. The Manitoba Rolling Mills at Selkirk laid off between 250 and 275 workers because of automation, and another 100 would have been laid off except that the union negotiated an earlier retirement plan which permitted long service employees to retire. They are down to 400 employees from the usual 700.

Allied Farm Equipment is down 50 per cent, from 200 workers to 100. Joy Manufacturing is down from 140 to 68, and that company is working a four-day week. Dominion Bridge is in the constituency of the hon. member for Winnipeg North Centre. For years Dominion Bridge had a permanent sign asking skilled workers to apply for work. Jobs were available. Today that sign is down, and 125 people have been laid off. Manitoba Bridge closed for seven weeks in January of 1977. A total of 1,000 steel workers have been laid off. These are workers in the over 50 age group, and unless they were highly skilled, they were laid off. Mr. Posnick suggests that many of them will never get work again. Dominion Bridge has laid off 125 workers. People with 18 year's seniority were laid off for five weeks. Mr. Posnick said that many members of his union will exhaust their unemployment insurance benefits before they will find another job. Steel workers are not the only ones who find it difficult.

The president of this year's graduating class from the educational faculty of the University of Manitoba appeared before us. He told us that he surveyed 648 members of this year's graduating class. Over 60 per cent of them responded, and anyone who has conducted any kind of survey knows that that is a very large response. In June of this year, last month, when most school divisions had hired for next September, 56 per cent of those graduates who responded had not found a job either in Manitoba or outside that province, and 25 per cent of those who responded did not expect to get jobs this fall. That is the situation for the graduating class in the faculty of education. We are talking about a group of students who spent four years at university. That cost the people of Canada tens of thousands of dollars.

The Economic Council of Canada, the Department of Manpower and Immigration, and every other agency which was supposedly studying the needs of this country were urging young people to stay in school, to go to technical-vocational schools, to community colleges or to universities. We know that all the surveys which have been done show that a person with a university education earns a much higher income and has a much better ability to earn than people who have not gone to university. People who have gone to community colleges are able to earn a great deal more than those who have not. The young people of this country responded to those appeals. They went to universities and community colleges. Today they are coming out of those institutions, and there are no jobs.

The president of the graduating class of the school of social work at the University of Manitoba was unable to come to see us because she was ill, but I spoke to her and she told me that the job situation for graduating students at the school of social work is, to say the least, grim. She says that 50 per cent to 60 per cent of this year's graduating class have not been able to find permanent work.

I am glad that the Minister of Manpower and Immigration (Mr. Cullen) is in his seat. The president of the graduating class of the school of social work told me that the Canada Manpower office in Winnipeg has a terrible attitude toward students. The minister shrugs at what I say. I am just quoting what the president of the graduating class of the school of social work said. If the minister likes, I will be happy to give him her telephone number so he can find out whether I am quoting correctly. She said that the Canada Manpower office in Winnipeg has a terrible attitude, as though it were the fault of the students graduating in social work that there are no jobs. There are no jobs, not because there is no need for social work but because the federal government itself, and it has convinced all provincial governments, preaches restraint. What restraint means is fewer services, and that is achieved by helping fewer people. The needs are great but we are told to show restraint—to cure inflation on the backs of the unemployed. That is what we are doing.

• (2140)

One of the most moving presentations I have ever heard in my political life was made by Sister MacNamara, the Director of Rossbrook House Inc. in Winnipeg, and I should like to quote from her brief. She referred to the fact that we have 900,000 potential members of the work force who cannot obtain jobs. She also referred to the fact that the ranks of the unemployed include skilled, semi-skilled, and professional personnel. She said:

> Though the unemployment picture cuts across all age groups, the problem is especially acute among younger workers and those who are entering the work force for the first time.
>
> These facts would be bad enough if they stated the worst of the situation, but the fact remains that the unemployment statistics conceal as much as they reveal. Statistics indicating rates of 7 per cent or 8 per cent never reflect the actual situation in areas of chronic, long-term unemployment, such as the inner cores of major cities. Whole groups are excluded from the statistics, status Indians and young workers being conspicuous among those who simply do not count in the eyes of statisticians. Few reserves boast unemployment rates of 7 per cent or 8 per cent. The actual figures would be closer to 40, 50 or 100 per cent. But reserves are never included in the statistics.

Of course that is true. That is how the unemployment rate is kept lower by probably half to 1 per cent than it actually is. She continued:

> Similarly, school drop-outs, willing to work but with few marketable skills, have never been able to obtain a foothold in the work force and therefore are not counted in the unemployment statistics.
>
> The result is that the unemployment statistics are seriously defective in terms of accurately documenting prevailing conditions, and the statistics are most conspicuously wrong when documenting those groups where unemployment is a traditional problem.
>
> For the young worker, the unskilled or the marginally equipped, the jobs that exist are short-term. The lay-off syndrome dominates, with consequent damage to the morale of workers whose working lives are lived in six-week intervals.

This is a dedicated woman who works seven days a week.

Mr. Rodriguez: Not like the minister.

Mr. Orlikow: The hon. member says, "Not like the minister." Some of her most caustic remarks referred to agencies whose staff work five days a week, from nine till five daily, who are not available in the evening, on Saturdays or Sundays when they are needed.

She continued:

> In Winnipeg's core area, young people aged 15 to 25 constitute a group of chronically unemployed.
>
> Unemployment is just one more problem in an area conspicuous for its social dilemmas. But unemployment among the young is an especially serious matter. Truancy in the district runs at approximately 30 per cent beginning in the primary grades.

I must say that is probably the most shocking part of the brief. I know the hon. member for Winnipeg North Centre was as shocked as I to learn that youngsters in grade three are persistently staying away from school.

She went on:

> High school attendance is virtually unknown.

Mr. MacFarlane: What is she; a teacher?

Mr. Orlikow: She is a social worker; she is not a politician.

Mr. MacFarlane: That is her problem; she does not have any work.

Mr. Knowles (Winnipeg North Centre): This is not a joke; this is serious.

Mr. Orlikow: The hon. member on the government side says, "That is her problem." This is someone dedicated to working with people who are not able to make it in our society, and the government whip says "It is her problem." Mr. Speaker, when youngsters in grade three, presumably eight or nine years of age, are not attending school, perhaps because they do not have shoes, or only have one parent who is out working—

Mr. MacFarlane: Now you are giving reasons. It sounded as if she had all the answers.

Mr. Orlikow: I never said she had any answers. All I did was try to relate to members of the House who want to listen—which I doubt the government whip wants to do—what that person said. If I thought the situation she described was unique to Winnipeg I would not bring it up here.

The same situation exists to a smaller or greater degree, however, in Toronto and Montreal. It is worse in Kenora which has a much higher native population, and it is probably worse in Thunder Bay; it is bad in Vancouver and Regina as well. I say we have not faced the problem; we have not looked at what we are going to do, not just about full employment but about the 10 per cent or 15 per cent who never make it. What are we going to do to break this poverty cycle, the cycle of alcoholism and all the problems so prevalent in this country? Government members do not want to listen to that. They would like to ignore it.

Mr. Breau: We are listening.

Mr. Orlikow: I am glad the hon. member for Gloucester is finally listening.

Mr. Breau: When you talk sense.

Mr. Orlikow: I say we are facing a crisis. I appeal to members of all parties to face that crisis. Getting tough with the unemployed and cutting back on unemployment insurance is the worst way to try to deal with the problem, not the best way.

Let me put on the record what Sister MacNamara said. After referring to high school attendance in the inner core of the city, which is represented in part by the hon. member for Winnipeg North Centre and in part by myself, as being virtually unknown, she continued:

> The police report that 38 per cent of all their calls come from the inner city, and the annual report of the police department for 1976 records a 24 per cent increase in juvenile crime, with the greatest increase occurring in the age group under fourteen.
>
> The end result of all this is reflected in the average age of the local penal institutions, Headingley Gaol and Stony Mountain. In both the average age is in the early twenties.

[Mr. Orlikow.]

> The young resident of the core area, enjoying few of the assets that other young people take for granted, has no hope of bettering his situation or reversing the pattern of an unhappy past unless he can in some way become economically independent at a fairly early age. Thus unemployment for him takes on a virtually tragic aspect. It deprives him of the opportunity he needs, while reinforcing negative behaviour patterns that will further jeopardize his hopes for a stable, productive future.

Comparing the LIP grants of other years to the Canada Works Program of this year she said:

> One source of hope has been found in short-term federal grants. This year LIP was phased out to make way for Canada Works. Advance publicity for Canada Works indicated that grants would be available on a 12-month basis, with funding worth up to $180,000 per project. Such news was more than welcome, and the enthusiasm in various non-profit groups was exceeded only by the despair that set in when only two grants were given in Winnipeg North Centre with a total value of $100,000.

● (2150)

> The net effect of the Canada Works program in Winnipeg North Centre is that a constituency receiving $965,000 under the last LIP in 1976-77 has thus far received only $100,000 under the first round of Canada Works grants. What will happen on the next round, with applications due late in August and funding due to start in November, remains a matter of conjecture at this point.

I will not quote other parts of the brief which have little to do with the federal government or its agencies. She painted a black picture in a city which has relatively little unemployment when compared with unemployment in Nova Scotia, New Brunswick or eastern Quebec.

How does the government propose to cure unemployment? The budget proposed virtually nothing; it put virtually nothing in the pot, so to speak, to cure unemployment. This year less will be made available by way of grants under Canada Works than was made available last year under LIP, or other programs. But more are unemployed than were unemployed one year ago, and according to predictions more will be unemployed in 1978 than are already unemployed in 1977. Therefore, we say this is no time to cut back unemployment insurance benefits. This is not the time to make the act tougher.

Let me put on record how much provinces will lose if this bill passes, and I hope the hon. member for Gloucester is listening. If this bill passes, the estimated cuts in unemployment benefit payments in Newfoundland will be between $24 million and $28 million, or between 13 per cent and 15 per cent. In Prince Edward Island the cuts will amount to between $4 million and $5 million, or between 12 per cent and 15 per cent. In Nova Scotia the cuts will be between $9 million and $11 million, or between 6 per cent and 8 per cent. In New Brunswick—I hope the hon. member for Gloucester is listening—the cuts will amount to between $19 million and $22 million—

Mr. Breau: Before the amendments, you mean.

Mr. Orlikow: No. I am speaking of how much less the provinces will get under this plan, compared with what they would have got under the old plan.

Mr. Breau: The hon. member had better check his figures.

Mr. Orlikow: The cut in New Brunswick will be between 11 per cent and 13 per cent. In Quebec the cut will be between

$93 million and $109 million, or between 8 per cent and 9 per cent. The Ontario cuts will be between $85 million and $101 million, or between 9 per cent and 11 per cent. In Manitoba the figure is between $7 million and $8 million, or between 10 per cent and 11 per cent. The Saskatchewan figure is between $8 million and $10 million, or between 10 per cent or 12 per cent.

Mr. Breau: Before the amendment.

Mr. Orlikow: The Alberta figure is between $7 million and $8 million.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member whose allotted time has expired. He may continue if he has the unanimous consent of the House. Has the hon. member unanimous consent to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, surely the hon. member for Gloucester should have agreed to the hon. member's continuing to put figures on the record, because his list of figures is incomplete and makes conditions in the province of the hon. member opposite look bad. And I think he is prepared to support the bill.

Mr. Breau: How do you know that?

Mr. Peters: I don't know that. Perhaps the hon. member does not care one way or the other, but I do not know.

When making his third reading speech and telling the House that the employment and unemployment responsibilities of the department are once more to be put under one roof, as it were, I think the minister said many of the things I had said when the two functions of the department were separated. At one time the two functions of the department were carried on under one roof. You entered the room and asked for a job. If you could not get a job, you went to the other side of the room to collect your benefits. That was a sensible arrangement, and I am glad that the minister, after all these years, has decided to amalgamate under one roof those two functions of the department.

I am surprised that the minister should agree to assume his new responsibilities on top of his existing responsibilities. He is an amiable minister, but I suggest he needs help in overseeing the operations of his extensive department.

Members of the Conservative party in particular have said we must change the Unemployment Insurance Act in order to curb abuses of unemployment insurance. It has also been suggested that abuses are especially prevalent among those whose periods of attachment to the labour force have been of short duration. The previous minister commissioned a study in this area and concluded, after examining the evidence, that charges concerning abuses are not correct. However, the present minister has seen fit to bow to pressure and, if the proposed changes come into effect, a large number of people will be taken off the unemployment insurance rolls. We are not heartless in this country. We like to look after the unfortunate.

May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Will the acting government House leader please tell the House what government business we shall consider between 11 o'clock a.m. and one o'clock p.m. tomorrow?

Mr. Cullen: Mr. Speaker, according to my information we will continue consideration of this bill tomorrow morning, between 11 o'clock a.m. and one o'clock p.m.

Mr. Peters: And the next day, and the next.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—SUGGESTION HOUSING MINISTRY MAKE LOANS FOR HOME INSULATION AS CONSERVATION MEASURE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the question I raise this evening is the one I directed to the Minister of Energy, Mines and Resources (Mr. Gillespie) on May 27. It related to the Residential Rehabilitation Assistance Program, which has now been brought into better focus by the announcement which the minister made, together with his colleague, the Minister of State for Urban Affairs (Mr. Ouellet), concerning a $1.4 billion insulation program. Mr. Speaker, nobody suggests that the $1.4 billion insulation program will not be of benefit to some people in Canada. The ministers announced, with the greatest of fanfare, grants of up to $350 to cover two thirds of the cost of purchasing insulation materials for attics, walls, basement walls and floors over unheated spaces, for owners or tenants of self-contained homes, whether detached, semi-detached or row housing.

Really, the Minister of Energy, Mines and Resources is not aware or completely overlooks the fact that there is already in existence the Residential Rehabilitation Assistance Program which provides grants up to $3,750 for the same purposes. It is a much better program because it goes much further in providing storm windows, siding, plumbing and heating systems, and many other home improvements such as the installation of foundations and basements in addition to insulation, which is most important.

RRAP provides for loans, of up to $10,000 to low income earners of $6,000 or less. They can have $3,750 forgiven. It further provides that for every $1,000 over $6,000 income they lose $250 of the grant. The loans are repayable in up to 20 years, adjusted to family income. The highest payment is around $80 per month.

● (2200)

This is the program that the people of Canada want, particularly those on low income. in order to insulate their homes. However, insulation is no good by itself. Let me quote some figures to support that statement.

Statistics Canada indicates that 898,000 Canadians earned under $3,000 a year, 729,000 earned between $3,000 and $5,000, and 880,000 earned between $5,000 and $7,000 a year. It has been proved that most of those people own their own homes. However, because of the high cost of living, they cannot keep them up. Most have only space heaters, no basements, and many have holes in the walls. How far would $350 go to provide insulation for which they have little or no use?

A good portion of the $1.4 billion should be directed to those in the low income brackets under the Residential Rehabilitation Assistance Plan. That program has been in existence since 1973. The parliamentary secretary knows how many times I have asked here in the House of Commons about where the extra funds are. It is a good program, the best they ever produced, but there are not enough funds. However, they can find $1.4 billion to provide two thirds of the cost of insulation, when for the hundreds of thousands of home owners in the category I referred to the $350 will go nowhere.

I have a beautiful little pamphlet here. I could send it to the Minister of Energy, Mines and Resources and the Minister of State for Urban Affairs. It invites people to participate in the program and get a free grant.

When I look at the homes in Newfoundland, and the situation must be the same across Canada, those on low income cannot afford to repair their homes. They are already spending a fortune on fuel, something they cannot afford.

The minister should take a realistic look at these programs and compare them. No one objects to the $350 grant. However, those earning $6,000 or less require much more. There are also those who cannot work but still own their homes. There is no hope of them insulating their homes in order to conserve energy and save a little money.

I say to the minister and the parliamentary secretary that they should look at the value of the RRAP program and put a portion of that $1.4 billion where it will do some good. They will save more than the $50 million they expect to save under the insulation program and save it for those who need it, the poverty stricken in this country.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, let me begin by saying that I very much appreciate the strong support of and the comments made by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). The RRAP program, as he knows very well, operates mainly in areas which, in consultation with the provinces and municipalities, have been designated so-called NIP areas, neighbourhood improvement areas, or in special rural areas of 2,500 people or less. The RRAP program is a fantastic program. It has great contributions to make to our existing neighbourhoods and will no doubt receive increased funding over the years. As the hon. member knows, in the last three years we have gone from $10 million to $107 million this year, which I think is a substantial increase considering the budgetary restraints under which we operate at this time.

The other program to which the hon. member referred is the insulation refit program, which is a completely different approach from the RRAP program, as he knows. The insulation refit program addresses itself to all Canadians and has a schedule fixed according to age of housing and areas of priority which are set according to criteria which have been well explained by the Minister of Energy, Mines and Resources (Mr. Gillespie) and by the Minister of State for Urban Affairs (Mr. Ouellet).

In responding to the hon. member I should like to tell him that we shall continue to work in trying to better develop programs like the RRAP program. I am hopeful and confident that the insulation refit program will have just as much success as the RRAP program, and I am sure that a year from now he will be back here telling us how great this program is.

ADMINISTRATION OF JUSTICE—USE OF WRITS OF ASSISTANCE—REQUEST FOR REPORT ON STUDY

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise to bring forward a matter which I last raised on March 16, 1977, and on previous occasions, primarily with the Minister of Justice (Mr. Basford), relating to writs of assistance and the decision of the Federal Court which severely criticized the granting of writs of assistance in connection with the enforcement of the Customs Act and other federal statutes.

I purposely let this matter lie for as long as I have to allow the Minister of Justice, whom I took at his word at the time, to have an opportunity of making the fullest possible investigation, in consultation with the Law Reform Commmission and officials of his department, regarding the continuation of the provisions which allow these writs of assistance to be granted. In effect they are unlimited and unspecified as to time and as to the powers which are available in regard to entering and obtaining evidence.

At the time I raised this matter on March 16 the Minister of Justice indicated to me that he was in fact reviewing the question; he said he was conducting a fundamental review of whether and to what extent writs of assistance should be continued in our law. I am sorry to see that neither the Minister of Justice nor his parliamentary secretary is here tonight. I am regretfully coming to the conclusion that the Minister of Justice, in regard to some of these important decisions relating to the civil liberties of Canadian citizens,

tends to fence on questions and to answer them in a general way by saying the matter is under review. Then he simply does nothing about them. I think that on a matter of such great importance the Canadian people require some indication from the minister at this time of what position he is taking with respect to the provisions which allow the issuance of writs of assistance.

It has been pointed out, both editorially and in the House by myself and my colleagues, that writs of assistance and the powers available thereunder in Canada are unparallelled in any other jurisdiction. I suggest it has been long argued by those concerned with the administration of criminal justice in this country that it is unfortunate that no statutory considerations are set out for obtaining writs of assistance. The lack of judicial discretion when issuing these writs, and the corresponding lack of criteria upon which they ought to issue, should be compared with the provisions relating generally to search warrants. For example, in Re United Distillers Ltd. (1946), 88 C.C.C. 338, C. J. Ferris, of the British Columbia Supreme Court, stated at page 341:

● (2210)

> The law seems to be well established that in granting a warrant to search, the information before the magistrate must be of such a nature as to permit him to grant the warrant judicially.

At page 344 of the same report, he continues:

> I find that the warrant to search was issued without there being contained in the information sufficient material to entitle the Justice of the Peace acting in a judicial capacity to issue the warrant.

This judgment was quoted with approval in Schumiatcher v. A. G. of Sask. and Salterio, J. P. (1960), 33 W.W.R. 132. The case law has generally held that the issuing of a search warrant is not a mere ministerial act, but a judicial act and that the judge must exercise a judicial discretion. For example, in Rex v. Moore (1922), 63 D.L.R. 472, the court stated:

> Clearly what the statute requires is not merely that the constable is to have information which justifies him in making an oath that he has reasonable ground for belief, and that the magistrate himself should be satisfied by information on the oath of an officer that there is (in fact and in truth) reasonable ground for belief upon which the magistrate, in his discretion, may grant a warrant . . .

There is a very substantial difference between the use of writs of assistance in Canada and their use in England. In the English cases the court always has the alternative of either granting or refusing the writ of assistance. In any case it is a very rare occurrence that a writ of assistance will be issued in England, and for the most part the writ is issued for the purpose of recovering possession of and preserving chattels.

In Canada writs of assistance are far more serious matters for they are not considered merely as remedial, but rather are used to enforce criminal and quasi-criminal legislation—all the more reason that these writs ought only to be issued at the discretion of the presiding judge on the basis of explicit criteria which ought to be carefully scrutinized by the court.

I should like to quote from the book of E.C.S. Wade and G. Godfrey Phillips, entitled "Constitutional Law" at pages 366 and 367, which reads as follows:

> The principle that a plea of the public interest does not justify a wrongful act was established by the eighteenth century cases known as the General Warrant Cases. The practice of issuing general warrants to arrest unspecified persons and to search property is said to have originated with the Court of Star Chamber. It is obviously a powerful weapon to assist an embarrassed executive to obtain material upon which to formulate changes against persons suspected of hostility toward the government. At a later stage the practice was authorized by the Licensing Act, 1662, for use by a secretary of state to prevent publication of unlicensed material, and such warrants continued after the lapse of that act in 1695. The General Warrant Cases arose out of the attempt of George III's government to stifle the political activities of John Wilkes and the publication known as the *North Briton*. Even at a later date the severity of the law against seditious publications was maintained largely by executive action, but the cases decided once and for all the illegality of general warrants and thus deprived the executive of a formidable instrument of oppression.

Writs of assistance were also an issue at the time of the American revolution and they have not been legal in the United States since that time. I appeal to the Minister of Justice to come forward and tell this House, and the country, what position the government intends to take with respect to—

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, first I must apologize for the Minister of Justice (Mr. Basford) not being in the House tonight. He is out west. He is aware of the interest the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) has shown in this matter. If my reading of the material is correct, he has raised this matter on several occasions, both inside and outside the House.

On March 16, 1977, the Minister of Justice told the hon. member for Saskatoon-Biggar that he was conducting a fundamental review of whether, and to what extent, these writs of assistance should be continued in our law. I am informed by the Minister of Justice that the review will also deal with the courts' discretion in granting these writs, and the accountability of police action taken under the writs.

I have been advised also that the review will examine the necessity of the writs in terms of each of the various acts that allow for their use, that is, the Customs Act, the Excise Act, the Narcotic Control Act and the Food and Drugs Act. The Department of Justice review will be completed very, very shortly.

As the hon. member has mentioned, the Law Reform Commission is also studying these questions in connection with its ongoing work on police powers of search and seizure.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Tuesday, July 5, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed, from Monday, July 4, 1977, consideration of the motion of Mr. Cullen that Bill C-27, an act to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be read the third time and do pass; and the amendment thereto of Mr. Knowles (Winnipeg North Centre).

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in this debate a great deal has been said about the problem of unemployment. It has been very interesting to listen to people quote statistics on the large number of unemployed. If a person is unemployed, it does not really make much difference to him if all his neighbours are unemployed, or if there are a million people or a million and a half people unemployed in Canada. For him, unemployment means a total change in his standard of living and the way in which he relates to his community.

Many members are too young, and some have poor memories, but the remarks made last night by the hon. member for Winnipeg North Centre (Mr. Knowles) everyone in Canada should take very seriously. During the last depression, one afternoon a young fellow came to my father's farm and we hired him to help with the hay and milking. I remember his being paid $25 a month, which was probably $10 more than he would have had from a neighbour, since my father was fortunate enough to have a government job in 1935. When war was declared, I enlisted in the air force. I remember walking down one of the tunnels in the asylum for the insane at St. Thomas where they trained all the Commonwealth technicians for our war effort. I remember passing a guy and saying "Hi". Although this guy was a wing commander and I was an AC-2, he was the same man who had worked for us for $25 a month on the farm and was damned glad to get it.

• (1110)

I also remember others who, because they were veterans, were moved into northern Ontario and given land you could not have grown anything on if you had been the late J.C. They were put on that land as a favour because they were veterans. I remember one of these veterans in particular, my father-in-law, who had been a successful businessman in Windsor and had moved to the farm at a time when you could not get enough food to feed the children. Yet in less than 10 years he was running the major employment branch of Hill-Clark and Francis, one of the largest woodworking factories in North America at that time, being responsible for about 400 employees.

It seems to me that we are doing the same sort of thing again. It is possible today to get a job digging ditches, if you want to dig ditches. You can get a job picking tobacco or tending to the crop before it is picked. It is possible to get a transient type of job. But we have a very highly skilled, highly trained and highly motivated group of young Canadians, many of them products of the baby boom following the last war, who are now looking for work. Although we made an effort to train them, they find it impossible now to get any employment. What a terrible waste. We have educated them to enter a society which is incapable of providing them with gainful employment.

As the hon. member for Winnipeg North Centre said last night, we will end this before long by having a world confrontation, by having a war. This is all society is capable of doing. As sure as I am standing here, we have learned nothing in the last 50 years. We have already had two major wars to end unemployment, and it looks as if we will have another one very shortly. Such a war could break out anywhere. I am not a prophet and cannot pick the spot, but this time it will likely be in Africa.

It seems to me that after the last war we believed we were smart enough to be able to control our own society and economy and no longer would we have to settle unemployment problems by war, by killing off a few people and dumping production in the ocean or some place because there was not enough money to buy it. No longer should we talk about the Rothschilds or the Carnegies or other well known families which may have played a very large role so far as the last war is concerned. We should realize there were many economies which just did not have enough money in the system to make it possible to purchase the goods they were capable of producing. We are again in that position, not only so far as food supplies are concerned but other commodities as well.

I remember the very homey remarks of the late leader of the Social Credit party, Réal Caouette. He used to talk on televi-

sion about the need for sidewalks in a certain community. He pointed out that we had the people, that we obviously had the sand, cement and the water, and that we had the cement machines to make the cement. All we needed was the will to put it all together and we would have sidewalks. But if any of the ingredients are missing, whether it be the manpower, the water, the cement or the sand, it is pretty hard to make sidewalks.

Something is missing today, Mr. Speaker, since we are not able to build houses or to provide an adequate living for Canadians although this country has resources in abundance. But we will be able to do so if there is a war. If we get mad enough at somebody else, we will find a way. We will have the will, we will provide the money, and we will realize our immense potential.

Let me tell the House what happened at the beginning of the last war in regard to something we need very badly today. Canada has one of the longest coastlines in the world. There is an abundance of fish off our shores. We have some oil and gas off our shores. There is immense potential in the sea. We are a trading nation, and therefore we need the sea as a highway to move our goods to market. But we do not have any ships. The same was true at the beginning of the last war. We built the liberty ships and a merchant navy which grew to be third largest in the world. Then, right after the war, C.D. Howe sold it all to Onassis, and Onassis died a very wealthy man. So we learnt nothing from that; we still do not have any ships.

Mr. Rodriguez: Jackie got it all.

Mr. Peters: My hon. friend says Jackie got it. It is a very odd situation when the wife of a president ends up owning a Greek merchant navy. Perhaps this is an indication of the times we live in. But one thing we could do is build ourselves another merchant navy. I was very interested in accompanying other members of the House to a NATO meeting very recently where they talked about how limited were supplies and about how long they would last before we would have to replace them. Does it not amuse members of parliament; does it not amuse the nation—

• (1120)

Mr. Alexander: I am interested in the hon. member's tours throughout the world, and particularly his recent visit to NATO; but I thought we were dealing with Bill C-27, amendments to the Unemployment Insurance Act. I hope my good friend will desist from recounting that interesting trip and will get back to reality, namely, Bill C-27.

Mr. Peters: Perhaps I am taking a circuitous route, but I was trying to say that when we went to NATO they indicated that we would have to move supplies to Europe, and that most of them would have to be moved by boat. Surely, we and the rest of the country can see us having to hire a Panamanian, Liberian or Onassis fleet to take our goods from this country to the areas in need. The point I am making, for the information of the hon. member for Hamilton West (Mr. Alexander), is that there are measures we could take to end the unemployment problem in Canada, and if we do that the minister will not try to cut down the benefits which we pay to our unemployed.

It seems to me that the honorable member for Hamilton West has not been able to participate in this debate except to say, "Me, too. Yes, Mr. Minister, you have cut it down a little bit, so I will support it". That is no answer. The answer must be to provide employment so that jobs are made available for people in this country. I think it is damned important for us to put the problem in the right perspective; that is, we have the trained people and the resources in this country, yet we are still incapable of providing the jobs and the benefits that should flow from them. The production lost as a result of strikes has always been pointed out. Sure, we have strikes in this country.

An hon. Member: A hell of a lot of them.

Mr. Peters: That may be true. But the loss in production as a result of unemployment is far greater than the loss in production as a result of strikes. Nobody ever talks about that. The hon. member who made the comment a while ago is a Liberal; therefore, he should be interested in a Liberal way in facing the problems of the country. That means providing employment and the government giving leadership. All the government is saying is that they cannot get the money, and therefore have to cut back on the benefits paid to the unemployed.

I said last night, in the few moments I had to speak, that no matter how good this minister may be, he is not capable of handling this department in the way proposed. Immigration is a major problem in this country. The province of Quebec is saying that they want a say in matters of immigration. So immigration is very important. But if it is so important, why do we tack it on to the tail end of the employment structure in the nation, when we have never had as many problems in that area as now? Surely, if the government were serious, it would break up this department, take immigration out of it, as well as some ancillary functions, and leave employment and unemployment to the minister who should be working in close co-operation with the Minister of Finance and the Minister of Labour not only to provide benefits for the unemployed but also to provide jobs for them.

The minister refers to young people as bums, and to housewives as creating problems in short-term employment. I heard that when I was a kid. I heard that all the people walking up and down the road were bums. They were bums in the sense that they were hobos or gypsies travelling from place to place. Many young people know today that you can travel from coast to coast in this country and still be unable to find employment.

What is the government's answer? It is to reduce payments to those who are in the very worst circumstances. Let me say, for the benefit of the hon. member for Hamilton West who does not seem to understand this problem, that it is very much like the gun legislation. It depends to a great extent on where you come from and what your aspirations are. If you live in downtown Toronto, it is quite possible to visit 1,000 employers

in a month and ask for 1,000 jobs; but I suppose that 50 per cent of members here represent ridings with communities where there is only one industry. In such communities it is impossible to get a job unless someone leaves his job or dies. The only way to solve the problem in such cases—and it is a reasonably simple way of solving the unemployment problem—is to set up an additional industry. In my community there have been two major bankruptcies recently, resulting in the loss of about 1,000 jobs, which meant that approximately one-third of the whole labour force was affected.

Unless another one-third of the labour force leave their jobs, there is no possibility in the near future for the unemployed one-third who have been laid off, because of the bankruptcies, to find employment in that community. They can either leave the area or they can stay there and hope that someone, somewhere will be able to provide them with a job. Many of these people enjoy the dubious benefits of short-term assistance from the federal government, the dubious benefits of the Canada Youth Program or of Canada Works. These benefits are dubious because they are obviously only a stop-gap measure. They do not provide these people with training or allow them to get ahead in any chosen profession. They do not do anything but supply them with sufficient income to maintain themselves and their families for a short period of time.

I cannot help but think that if you were to give that kind of donation to a young businessman—in my area it amounts to about $200,000—he would probably set up a business which would employ 50 or 60 people, which would provide permanent jobs and which would be expansionary in nature, thus creating additional jobs in the future. The kinds of jobs that are provided in these types of programs are temporary, mundane jobs that do nothing for a person's morale or future opportunities.

Unemployment insurance has always been the scapegoat of the Liberal party. They have used unemployment insurance since the day it was proposed by Woodsworth to Mackenzie King. Mackenzie King did not only see it as a benefit for the people, but also a benefit for the Liberal party—and it certainly has been used as that. I remember when they brought into the program, for political reasons, the fishermen from the east coast. They had no chance of being employed year-round because they could only fish part of the year. The rest of the year they were subsidized by the unemployment insurance fund.

● (1130)

The next time there was an election, the bushworkers were brought in. They are seasonal workers in the forest industry. They became indicators in the systems. Every time there has been difficulty, unemployment insurance has been changed and tampered with. That is what is happening this time. The minister had no intention of going beyond 12 weeks until the hon. member for Hamilton West made a big fuss. That big fuss resulted in the minister's own backbenchers raising a hue and cry and demanding that those in less advantageous areas be given a temporary advantage. The scheme the government has come up with is probably the worst possible scheme it could have developed. There are something like 54 districts—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman. A point of order was raised earlier by the hon. member for Hamilton West (Mr. Alexander). At that time I did not have the bill before me, but I have now. The amendment before the House is as follows:

> That Bill C-27 be not now read a third time, but that it be referred back to the Standing Committee on Labour, Manpower and Immigration for the purpose of reconsidering clauses 29 and 30 thereof.

Citation 165(9) of Beauchesne's reads:

> After an amendment has been moved and seconded, the question on the amendment is proposed, and any member who speaks after that question has been proposed speaks to it and not to the main question.

Therefore, I ask the hon. member to refer to clauses 29 and 30.

Mr. Alexander: That is what I was trying to tell you earlier.

Mr. Peters: The hon. member had a much more valid point of order then than he has now, because I am speaking about—

Mr. Alexander: You are questioning the Chair. I didn't stand up.

Mr. Darling: He didn't say anything.

Mr. Paproski: Don't you dare question the Chair, Arnold.

Mr. Peters: I am not questioning the Chair. I am suggesting that I am in order. If I reflected on the decision of the Chair in any way, I apologize and I withdraw those remarks. I felt that the hon. member for Hamilton West was not paying very much attention to what I was saying, or he would have known that I was in order at the time.

Perhaps some hon. members do not know the problems we already have with regard to the computer. Since it has been introduced, the computer has had to take into consideration a number of factors which are not necessarily related to the amount of the contributions or to the pay-out of benefits which takes place in the day to day operations of the act. In addition, there are other factors such as the national unemployment level as ascertained by Statistics Canada, Canada Manpower, and so forth. The national figure is a very dubious one, but it is inserted into the computer and that figure is used despite all the other factors involved. Now there is another factor. The regional factor will also be fed into the computer and each case will be calculated according to region. That is so complicated that nobody will know whether calculations are being done correctly or not.

Besides the 10 to 14-week requirement, there will be 54 independent areas. All this will be a nightmare for anyone trying to ascertain whether he is getting what he is entitled to. Also, appeals will be difficult. Instead of using all these complicated factors, it might be wise to go back to the system where claimants came face to face with the people who made the decisions with regard to claims. Rather than referring matters to district offices, or conducting appeals of various

kinds, including the involvement of members of parliament, would it not be much more simple for a person to make a claim face to face with the person who is going to make the decision?

Anyone who had anything to do with the changes which took place on at least two previous occasions will know that these latest changes will cause untold difficulty as far as the computer is concerned. In addition, the minister says we are going to apply this program over a period of three years, in varying degrees, and that at the end of the third year, unless parliament makes a change—and we can rest assured that it will make a change—we will go to the 14-week entrance requirement. Operating the system with a computer is going to be very confusing. Let me use an example so the minister will know what we are talking about. An unemployed person in Gaspé goes to Sarnia where there is a high employment rate. In Sarnia a person will have to work 14 weeks, and the rate will be different. Perhaps that person from Gaspé lives next door to someone from the local area. His benefits will have to be calculated in a totally different way than his neighbour's. There will be considerable difference in the length of time for which he will receive benefits. He will probably receive benefits when his neighbour will not be able to do so.

The minister shakes his head, but that is a fact. That is the way it will work. The minister wants mobility. That means people will be moving around the country. They will be moving from my area, where there is 15 per cent unemployment, to the constituency of the hon. member for Broadview (Mr. Gilbert), where there may be a low rate of unemployment. People will be getting rates different from their neighbours'. Benefits will be calculated in a different manner. The length of time benefits can be received will be different in different areas, and the amount of benefits will also be calculated differently in different areas.

● (1140)

People in the department who have been involved with this subject for a long time are very good at changing one thing to solve another, but in doing so they often create about three new problems. The minister has to listen to them because this is complicated legislation and he has other problems to deal with which are just as complicated. Each person has an idea about how a particular problem can be solved. The minister seems willing to incorporate all this into the legislation. How much more simple it would be for us to discuss in this House the problem of how to create employment.

Surely, even the hon. member for Parry Sound-Muskoka (Mr. Darling), who is making some noises, could give this parliament very good advice on how to provide employment. Indeed, most members of the House could offer ideas on how to provide full employment for this country. Surely, we are not going to wait until a general says that the only way to solve unemployment is to declare war, or a general somewhere else says, "For the good of the people, we will take the country over", as happened yesterday in Pakistan. And not only the generals, but the admirals. We had to get rid of one because I understand he told the government that war is inevitable and we should prepare for it. He is right. War is as inevitable as the fact that the sun is going to set tonight and rise tomorrow—unless we can find a better economic system to provide employment for the people.

The war may take a very unusual turn because it may come from the people we have educated. They may bite the hand that fed them in the cradle because they have been trained in the stupid universities we have in this country. They are stupid; there is no doubt about that. We have business schools, but they cannot train people to start a business. Who starts a business in this country? The man who never went to college but who just got out and did it. The college man would not start a business because he has studied Adam Smith and knows the theory that it would not work today.

This stupid clause which will create a calamity for people in underprivileged areas of the country will pass because the government has the numbers—not because they are right. They have the numbers, and they have friends in other places to assist them. Surely, no one in this House would agree that changing the Unemployment Insurance Act is the best way to solve the problem. It can only be solved by providing work for the people now seeking unemployment insurance.

Not long ago I inquired at the Manpower centre in my town about the number of women in the area who were unemployed. Something like 150 women were registered for employment at that time. The manager of the office told me the same thing that the leader of my party has been saying for a long time, namely, that there are probably more hidden unemployed in this country than there are registered unemployed. He suggested that there might be 300 women looking for work, not just the 150 who were registered. When K-Mart opened a store in a shopping centre in the area, 300 people applied for employment in one day. I am told that altogether 1,200 people applied for the 75 part-time jobs paying the minimum wage. The government and the Conservatives say that people do not want to work, but these 1,200 people would have liked to try. Maybe they would not have liked the jobs, and maybe they would not have stayed. I cannot tell that. They did apply for employment, however, and employment was not available.

Mr. Speaker, I hope we send this bill back so that consideration can be given to this clause.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I did not intend to take part in this debate which apparently will be carried on indefinitely, since I had stated my views at other stages of the discussion. However, I wonder today whether it would not be advisable to ask hon. members to come to an agreement without monopolizing the time of the House. We realize, Mr. Speaker, that a war of attrition has been launched. The government has decided to stand pat. It was probably deceived by its officials, because we know that in the end they are the ones who do the work and direct the minister in his decisions. I think that at the outset the minister meant well, even if the bill gave rise to long discussions and several changes.

• (1150)

He brought in some minor changes to the bill after it had been considered at length in committee, he decided to rewrite the whole bill if necessary to bring in other changes: but I think what this bill needs is a radical overhaul. We are dealing with the superficial, and the civil servants—

The Acting Speaker (Mr. Ethier): Order. It might be useful to remind the hon. member that the discussion is on the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) and more precisely on clauses 29 and 30 of the bill, and not on the bill generally.

Mr. Gauthier (Roberval): Mr. Speaker, I appreciate that. You intervened a moment ago but other speakers before me have had more time. Of course, the Chair can always call members to order on this amendment moved by the hon. member for Winnipeg North Centre, an amendment dealing with clauses 29 and 30, but I think that if we are to understand this amendment to clauses 29 and 30 it is necessary to speak a little about the bill to see what brought on this discussion. It is all very well to restrict the debate without talking about the core of the matter.

The Chair wants us to try to pluck the bird without knowing specifically what kind of bird we are dealing with. Furthermore, I must say that I am not prepared to accept these matters of restrictions. I simply want to talk about the motions put forward by the hon. member for Winnipeg North Centre providing some amendments because the minister tells us that he increased the qualifying period and reduced the benefit period. Then, he is telling us that those who will benefit most from the new system are the regions with a high unemployment rate. Let us see. Having cut down at both ends, the minister talks about the regions with the highest level of unemployment. So I am justified in fighting back because there is a 30 per cent unemployment rate in my area, Mr. Speaker.

I was furious when I heard people talking about 12 weeks, and rightly so. This was changed from 10 to 14 weeks but it is not yet in proportion with the unemployment rate in our area at all, Mr. Speaker, especially when the benefit period is reduced to 30 or 32 weeks. What is the result of these amendments? It means that the unemployment insurance fund will save more money and that the Liberal government will go on levying taxes as they have been doing for 15 years, while transferring the responsibility on to the provinces because after 30 or 32 weeks, the guy will not be able to get unemployment benefits and he will still be without work. Then he will fall under the responsibility of the province.

The Liberal government is so apt at shifting the responsibility on the provinces that we would not dare talk about it at the present time. Finally, however, the provinces will be forced to care for him through welfare. They will have to replace the federal government which has the funds, which taxed the workers for this unemployment insurance fund and now that they have been taxed to the hilt the government turns off the tap, keeps the funds and tells them to go to their provincial governments or to refer to welfare services in their province.

This is all we will end up with, in view of these amendments. And people are surprised. They say here that the efforts of the Minister of Manpower and Immigration (Mr. Cullen) to introduce the notion of regional disparities into our unemployment insurance scheme are far from gaining the support of all hon. members in the opposition, and I am sure that if hon. members on the government side could speak their mind and have their say, they would show that they are not happy about them either. They are not more stupid than we are, but they are not allowed to say what they want. They are simply sitting there, waiting for this war of attrition to end.

It is most unfortunate indeed to have a system of government which operates like this, for I feel that all together, we in this House certainly represent the larger number of Canadians and want them to obtain a fair deal and compensation for all the taxes they are paying, but that is not what is happening today. We need not wonder why none of the provinces are happy with the federal administration. None of them are happy because the federal government is getting too much for what it is willing to give back. The proof is right here, in the number of weeks and the arrangements for paying unemployment insurance benefits.

Mr. Speaker, in the beginning, I was rather pleased with this work because the idea was to reunite the two services, but I now realize that this reunification will double the number of public servants and that we shall have twice as many well-paid public servants while the unemployed will receive nothing, and that twice as many public servants will benefit from the taxes paid by the workers to protect themselves. Of course, the public servants are well protected! The trouble today is that we have a public service government. There is now one public servant for every four people; if we go on like this, tomorrow there will be one public servant for every two residents in Canada. Let us go on, everything is fine, but during that time, people are starving. It is a good thing that part of the population is working, but in a few years, I believe there will be more people out of work than people who are working, and that those who work will get discouraged and will put an end to this whole system because today, those who earn $400 a week give $175 in taxes to the federal government. This is what hurts and it is expensive. I therefore believe that we should draw the attention of the government to this subject. It is very well to say that wage increases are accepted, but I believe that the government accepts them because it is profitable.

We are now reducing the number of weeks to get rid of the high level of unemployed. There is one point that I would like to make. It is true that there are unemployed people with a good education, I admit this, but what have we done in this regard? I would like to give an example of the unemployment problem at the higher level. I now have a list of young people aged from 20 to 25, technicians who have a degree in electronics. Mr. Speaker, these technicians would like to work. The employer is there and is trying to give them work. He wants to

do so, but as soon as he is discovered, he would have to pay a $500 fine to the Quebec Construction Board, even though he would like to hire people who are much more competent than the old employees who got their trade card because of sympathy. Today, these young people are not directly under the jurisdiction of the federal government, but I believe that the federal government should, as much as possible, bring pressure to bear in this case because the situation is disastrous. These young people go to the Quebec Construction Board for a trade card. They have a trade. They have degrees. But the union leaders control the situation and the young people are told: We have enough people, we do not need to hire anyone else or still, you do not have any experience. They are told to go and gain experience when they cannot even get a working permit.

Mr. Speaker, I was using that example simply to indicate to the minister that that malaise exists. When he goes to discuss this with Quebec's manpower minister—I already suggested this on several occasions unsuccessfully—perhaps he will get better results. But it is a bad thing. And do not forget that those who have had the Quebec construction Board working permit for 25 or 30 years work six months a year and rest the other six. That is what I call unemployment with luxury. Those people earn $12, $13 or $14 an hour during six months, and then tell themselves they are going to pay everything in taxes, so they are better off not going to work. Those are the people on unemployment insurance.

Those are the kind of problems that need to be considered, Mr. Speaker. We must try to solve them to find the way to get ourselves out of that slump and allow our young people to enter the labour market before they decide to take the ultimate way out—revolution. I did say the ultimate way out because if you saw all the young people who come to my office you would realize that they are pretty close to revolution. When you consider that a young man cannot even get a simple labourer's working permit—I did say "a simple labourer's working permit"—without being fined! But when will we stop stifling people with all those fines left and right and telling people: You are not allowed to go here, you are not allowed to go there, you are not allowed to do that! Instead they are being told: Apply for social welfare. Mr. Speaker, as long as we will have bills like the one which is now before us, that will not solve the real problem. No. I call them public servants' bills to increase highly paid public servants and let the others starve.

I would like this discussion to end as soon as possible but I urge the government to act. It should be able to do something to bring about some changes in this area. We have come up with some suggestions and drawn its attention on these points. We are saying that the present work week is not consistent with the unemployment rates in our region or elsewhere. We should absolutely do our best to help those who are drawing unemployment benefits while working. That smacks of patronage! I believe we could reach a consensus by having officials draft omnibus bills, while government members are sitting still, waiting for the debate to come to an end.

In short, Mr. Speaker, I hope an effort will be made—for we are sensible people—to cut this debate short so we will not have to spend the whole month of July in this House for nothing, while the minister keeps saying that he will not budge an inch. I am only asking the minister to think about it and make a final effort to bring this discussion to a close.

• (1200)

[*English*]

Mr. Leonard C. Jones (Moncton): Mr. Speaker, like some other members, it was not my intention to speak on this bill. However, in view of the economic situation in my constituency and the maritime region generally, I feel I have an obligation to my constituents and the people of that area to make this House realize that we are still a part of confederation even though the CBC on Dominion Day failed to realize it. Nevertheless, my remarks will be brief. They will be to the point and, in some cases, very pointed. The bill has some valid propositions. However, they are so veiled they do not appear as being valid. There are other points and questions in the bill that are questionable, particularly in view of the serious unemployment rate and the economic situation in this country, especially in my constituency and the maritime region generally.

Considering all the present circumstances, the economic situation and the unemployment situation, I suggest that the motion to have this bill set over for some months is proper. The bill should be considered, and the whole organization of the Manpower department, the Unemployment Insurance Commission and the allied bureaucracy related thereto should be considered. They should come up with something that is based on a positive policy of employment, which is a more positive and logical direction.

We should be talking about employment, not providing unemployment benefits. That is where the philosophy of this bill and its predecessors are wrong and out of place. The government should study unemployment insurance benefits, social assistance benefits, welfare benefits and welfare assistance in total and come up with a co-ordinated scheme to provide employment. Instead of unemployment, welfare and like social programs, we should be considering items like this. A special employment fund should be set up to provide for the carrying out of worth-while and necessary federally-funded and operated projects which would create employment in times of recession, depression and in slow growth areas such as the maritimes. In my own area of the maritime provinces, I speak of two items. I have spoken about these to other members of the House. I mentioned one that would provide employment and reduce the number of people on unemployment insurance.

As the hon. member for Roberval (Mr. Gauthier) stated, it is jobs that are important. I remind the government of the Chignecto Canal, a promise of confederation that has never been carried out. There have been 12 engineering studies paid for by the federal government, and three royal commissions. Not a sod of earth has been turned except the one by a member of parliament several years ago. Another project is Fundy tidal power. Why can that not be done? From an engineering point of view it is feasible. If projects like these

were carried out, those areas could get on their feet and be self sufficient. As well as providing improvements for the area, they would provide employment. We would not have to talk about unemployment insurance benefits.

We do not want to be a have-not area in the maritimes. I am sure the people in portions of Quebec feel the same way. If an employment fund were set up for projects such as those, to be built in times of economic depression and unemployment, people could be put to work. There would not be the same need for welfare, which is another matter. I will get to that later. If an employment fund for those types of projects were set up by the federal government, the cost of funding would be negligible. In addition to the improvements, the people in those areas would be paying income tax rather than collecting unemployment insurance benefits. Federal expenditures would negative one another in the long run. They would bring the maritime region and other slow growth areas up to the standard of the rest of the country.

I have a second suggestion. I put these suggestions in a very clear and helpful form in the hope that the government will do something about them. I listened to an American station. We get those down our way once in a while. Thank goodness we do, because the CBC does not do that hot a job. They tell me they do not have enough mobile equipment. The government should take steps to encourage and promote "workfare" instead of welfare. It should provide jobs and put people to work. There are many federal projects that could be started and completed during times of high unemployment.

There are good reasons for this motion. Items such as those mentioned could be considered during the layover period. A new bill could be prepared to provide those things that are logical, positive and sensible. If these suggestions were accepted, the bureaucratic population of Manpower, the Unemployment Insurance Commission and all the other allied departments under the minister could be reduced. Those public servants who would have to find other jobs would be more productive to themselves and to society in general. If projects such as I have mentioned were put into place, the whole system would be productive, people would be more productive and this country would not be in the economic doldrums in which it finds itself time after time.

The Chignecto Canal was a promise of confederation. I suggest it could be carried out if an employment fund were set up. I have brought this matter to the attention of the minister. He has been decent and fair. I hope he will discuss it with his cabinet colleagues. This is the type of thing that will create employment and provide long-term benefits for the whole maritime region. Like projects must be carried out in Quebec and other areas of slow growth. I hope the minister has listened to what I had to say and that his cabinet colleagues will take cognizance of what has been said here today.

Mr. John Gilbert (Broadview): Mr. Speaker, I did not have an opportunity to speak on the principle of the bill on second reading. Nor did I have an opportunity to attend the committee meetings which went into depth with regard to the problems contained in Bill C-27. However, after hearing the hon. member for Timiskaming (Mr. Peters), who speaks in a very folksy and earthy way, talk about the problems confronting us as a result of unemployment and directly related to the Unemployment Insurance Act, I felt it incumbent upon me to say something.

The hon. member for Timiskaming, in relating the clauses that would be referred back by the hon. member for Winnipeg North Centre (Mr. Knowles) for study, indicated that in his constituency a plant was intended to be opened. More than 300 women who otherwise would not have been looking for employment applied for employment. He stressed the principle that it is not only the 900,000 people who are unemployed at the moment; it is the number of hidden unemployed which is of major concern. Some economists have set that figure at between one million and 1½ million. Therefore, it behooves all of us to direct our attention not only to Bill C-27 but to the larger question of employment.

I recall our leader speaking about a visit to Abbotsford, British Columbia—a beautiful province. In Abbotsford there was an employment notice to the effect that McDonald's hamburger chain was to open a new hamburger stand in the area. Believe it or not, there was a line-up a block long for people applying for the menial jobs which are related to the operation of a hamburger business. This underlines the situation we are facing.

• (1210)

It is rather striking that today we should be considering the question of national unity, the question of Quebec. We shall hear the leaders of all parties set forth their ideas on this subject. May I remind you, Mr. Speaker, that according to a survey carried out by the Toronto *Star* it is not the language issue which divides Quebec from the rest of Canada, but economic and employment issues. This is why it is so important we should tackle these aspects. According to the comments I read in the *Star* report, one of the sources of dissatisfaction in Quebec is that most of the English newspapers there are pussyfooting, wishy-washy and gutless.

Mr. Rodriguez: Liberal.

Mr. Gilbert: Those are three adjectives which might well be applied by them to our Liberal friends in the government, and also to our Conservative friends. The main thrust of this bill deserves all those adjectives. One of the great things about debate in this House is that out of the clash of ideas comes wisdom. We started out with the idea that the minor attachment period would be increased from 8 weeks to 12 weeks.

I can still recall the opening speech of the hon. member for Hamilton West (Mr. Alexander), the theme of which was: The Liberals have stolen our thunder. I recall the hon. member for Provencher (Mr. Epp), the spokesman for the Tory party on manpower and immigration, saying—in Montreal, I think it was—that if he had his way, it would not be 8 weeks, 12 weeks or 14 weeks, but 20 weeks. So it was good to find the House engaged in a solid debate on second reading, because in the course of that debate we heard from members of the Liberal

party more representative of the maritime provinces and Quebec, and we also heard from members of the Conservative party summing up the reaction from their constituencies to the proposed changes. I am sure the members from the maritimes impressed on the minister the need for changes in the bill and were somewhat ashamed of the opening statements of the hon. member for Hamilton West and of the statements made by the hon. member for Provencher.

It is important that we debate this bill, and debate it thoroughly. I would not call the minister incompetent. I think he is competent, and I think he is sincere. I believe he is well aware of the difficulties. I have known him since 1968, and he has given me that impression. But he is caught within the web of the Liberal party and the cabinet, so his main endeavour is not to solve unemployment but to penalize the unemployed. This is unfortunate. I doubt whether he is deserving of the adjectives "wishy-washy" or "gutless", but he is caught in an unfortunate position. Coming from the city of Sarnia, he must be getting representations similar to those the rest of us are receiving with respect to unemployment.

Let me speak for a few moments about my experiences in my riding of Broadview, in Toronto, which I am sure is representative of a great many ridings across the country. It embraces many nationalities and economic groups; it is really a microcosm of the country at large. The main ethnic component is English, representing between 40 and 45 per cent of the population. When I first began to represent the riding, the figure was in the region of 65 per cent. Next in order of number come the Greeks and Macedonians, then the Chinese and the Italians. So the constituency is very representative of the country at large.

I operate a constituency clinic which I attend every Saturday morning. For weeks, months, years almost, I have not had people coming to me with the sole pre-occupation of finding employment. In the last six months there has been a dramatic change in my work at the constituency clinic. Every week five or six people ask me to help obtain employment for them. For my part, I do not believe a politican should be looked upon as one who obtains employment for persons. I believe he should be looked upon as one who is concerned with national issues and who directs his attention and resources to dealing with them. He should not be seeking employment for his constituents, especially since there are other agencies which have been set up to do so. The Department of Manpower and Immigration, for instance, is playing an effective role in this area.

As I say, five or six people come to my office every weekend seeking employment. Their ages range from 16 to 65, but the largest group is in the 16 to 25 age bracket. It is discouraging to find men in the prime of their working life telling me they have served in the armed forces, that they have worked hard, that they have been laid off, and that they have done their best to find employment but without success. It is disheartening to hear them tell me of their family responsibilities, their need to buy food, clothing, to keep up rent payments, and so on. It is equally disappointing to hear young people between the ages of 16 and 25, many of them with university education, telling me they have looked for work and that employers have told them they are overqualified. In other words, all their years of study in high school and university counts for naught.

There are the semi-skilled and the unskilled. The government has attempted in some way to update the skills of many of these people, which is to its credit. Within the bill there are provisions for retraining and upgrading some of our workers. It is necessary to do so. These people are faced with a major worry; that is, having finished their courses and being retrained, there is no employment for them. This has a psychological impact on the way they apply themselves to their studies and skills. It has a tremendous impact, as well, on their general well-being if they cannot find employment.

● (1220)

On third reading, the minister's speech related directly to the motion of the hon. member for Winnipeg North Centre to refer back to committee for study clauses 29 and 30 of this bill. One of the objectives of the minister is to streamline and improve the unemployment insurance program in order to make it more responsive to economic circumstances. He said the unemployment insurance benefits structure will be simplified and made more equitable. Every time I receive a phone call from someone who has an unemployment insurance problem, I feel very uneasy because of the complexity of the act and its provisions. Usually I have to depend on my riding secretary to assist me with regard to these complexities.

The minister said he is going to make it more equitable, and he set forth a very complex scheme dividing Canada into 54 regions. He also referred to a formula which will be known as the variable entrance requirement. Depending on the region, that requirement will be from 10 weeks to 14 weeks. This is the government's response to the cries and howls of the members within its party, the members of the New Democratic Party and the maritime members of the Progressive Conservative party. That formula is not workable. It is neither fair nor equitable to the workers in the maritimes, in British Columbia, in Northern Ontario or in any area of Canada.

Originally, the bill was from 8 weeks to 12 weeks. Now the minister wants the change to be from 10 weeks to 14 weeks. Canada has a very mobile work force. There is the difficulty of a young person working for a period of time in the maritimes where unemployment is very high. If that person decides to better his position by coming to Ontario he will be faced with a 14-week requirement. That problem will be multiplied in the various areas across this country. Therefore, the New Democratic Party considers the changes are difficult to administer and are so unfair to workers that they are not worth supporting.

With regard to the riding of Broadview, when you have unemployment you are faced with racial tensions, which is a very bad thing. When you have full employment, there is an easing of those tensions and there is no ill-feeling among the different races and nationalities, as there is when they are competing for employment; there are tensions between the people who are working and those who are not working. Some

unacceptable adjectives are imposed upon the non-working by the working. This may be because of feelings of resentment, jealousy, or what have you. Therefore, it is very necessary to devise a program which is fair, reasonable and equitable in order to reduce racial tensions and also to reduce the tensions which exist between the working and non-working across this country.

When we had unemployment problems in the past, we faced that problem by having wars. Many members, most notably the hon. member for Timiskaming, enumerated some of the results of trying to solve the unemployment problem by having wars. Wars kill off the flower of our communities, the young men and women. This is one of the effects of trying to solve the unemployment situation by having wars. There is an attempt to solve unemployment by giving massive credits to corporations in the hope that these moneys will be used by the corporations to reduce the level of unemployment.

We have regional development programs, we have major tax concessions to corporations with regard to depreciation allowances and with regard to accelerated depreciation allowances, and we have programs to generate employment in depressed areas. The result of the regional development programs set forth by the minister of that department, who is a sincere, concerned and devoted Canadian, is an unemployment figure of 900,000 which was supplied by the Department of Manpower and Immigration. The more accurate figure is between one million and 1.5 million.

The government has to take a new approach with regard to unemployment if we are to reduce it from 8 per cent and 9 per cent to 3 per cent. The figure should be 3 per cent, because that would take care of the people who shift from one job to another. The Liberal government and the opposition parties as well have a duty to provide full employment. We can talk all we want about freedom of religion, speech and assembly, but we must talk about some of the things which are closer to all Canadians. I am referring to the right to work and full employment. Also, there is the right of a person to develop his highest potential. There is the right to medicare and decent housing. These are the rights we should be stressing. The right to education has been included. These are things we should be stressing. I imagine that foremost is the right to work.

● (1230)

When I read the minister's statement on third reading regarding development by the government of the work sharing principle, it seemed to me there had been a cop-out in regard to full employment in Canada. When we get these work sharing principles in place, Mr. Speaker, we will find there are many people still unemployed. Many of the tensions that I spoke of a few minutes ago will still exist, and this will not bring about a good result.

What we should be debating now is a bill having to do with full employment. The bill should include some of the measures the hon. member for Moncton (Mr. Jones) put forward, as well as some of those put forward by the hon. member for Roberval (Mr. Gauthier), the members of the New Democratic Party, as well as some of our Liberal and Conservative friends—because full employment involves us all. The major concern in this country is employment, and we should be directing our minds to employment rather than to Bill C-27 which deals with unemployment.

When I come to think of it, Mr. Speaker, employment for even 10 to 14 weeks is a national disgrace. When the UI bill was first presented to the House, it was never the intention of the government of the day to speak of unemployment in terms of 900,000 people but, rather, in terms of only 3 per cent—workers in the work force changing from one job to another who needed interim help during that changeover period. Neither was it the intention of the government to speak of 10 to 14 weeks' employment in order to qualify for unemployment insurance. I think we should keep in mind that our goal should be full employment, and that the minimum unemployment rate should be 3 per cent.

If I may be a little folksy for a moment, I recall when Bryce Mackasey was minister of manpower and immigration in 1971 and we were dealing with the eight-week requirement. Most members had received a tremendous amount of mail from teachers across the country because they were not included within the UI provisions previous to that 1971 amendment. I, myself, and many others argued that they should be included since unemployment affects all areas of the economy. During the last few years teachers have had a hard time obtaining employment. Our universities and teaching colleges are still turning out teachers who are unable to find work owing to general economic conditions. It was, therefore, a good thing that Bryce Mackasey had the wisdom and the foresight to include the teaching profession within the provisions of the act. Some teachers are now reaping the benefit of the changes which we brought about in 1971. Unemployment affects all—university graduates, the semi-skilled and the unskilled. No one is left untouched by the scourge of unemployment.

We need government measures that will depart from the old methods of tax allowances and job training programs and move to job creating programs which will meet the immediate needs of the unemployed. I am sure the Minister of Manpower and Immigration (Mr. Cullen) will have no difficulty directing his mind to some of the major work programs which are necessary across this country. I have just returned from a convention in Winnipeg where I heard about some of the concerns delegates had in their areas, such as lack of transportation, housing, shortage of recreational facilities, home insulation, and some of the specific matters mentioned by the hon. member for Moncton and others. It is not sufficient for the minister to talk of streamlining and improving the unemployment insurance program so as to make it more responsive to economic conditions. We do not need amendments to the UI bill; we need a major thrust toward creating direct employment throughout this country.

The minister spoke eloquently and with sincerity about improving the quality of employment-related services of the federal government for all Canadians. This is why we have been talking about integrating the UIC and Manpower and

Immigration. It is very important that we have a direct handle on these particular departments. I am sure that from his brief experience within his ministry, the minister has become aware of the multiplicity of problems not only with the UIC but with Manpower and Immigration. I rather admire the minister's capacity to absorb all the stresses and strains in those three departments, because they are tremendous. But he could make it much easier both for himself and for most Canadians if he brought forward employment-creating measures which would help to eliminate the need for improvements in the field of unemployment insurance and in manpower and immigration.

Your Honour may have noticed, as I have, that many people now look upon immigration with a jaundiced eye. At one time immigration was regarded as a necessary step in the development of this country. When I think of the contribution made to the growth of this country by immigrants over the last 50 years—I include the contribution of my parents and, I am sure, the parents of most members here—it has been fantastic. However, we are now reaching the point where people are looking on immigration policies with suspicion and distrust. We are encountering major difficulties with the amendments to the immigration bill in committee, and I think the whole cause of this is unemployment. If we can solve unemployment, this would ease tensions in regard to immigration. We would continue to have a flow of people into this country of all races and nationalities who would contribute to and enjoy the benefits of the resources of this country, and not only among ourselves but with the world at large.

In closing, I ask the Minister of Manpower and Immigration to give full consideration to the motion to refer back, moved by the hon. member for Winnipeg North Centre, in order to review clauses 29 and 30 of the bill. I ask him to do so, not in the light only of improving the 10-week to 14-week formula, but to review it in the context of the larger problem of unemployment and to come back with measures to meet this problem. If he did that, he would receive the grateful thanks of all Canadians and the admiration and respect of members of the House, as well as their support.

● (1240)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise to support the amendment put forward by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), to refer clauses 29 and 30 back to the Standing Committee on Manpower and Immigration. When we completed the study of Bill C-27 in committee, I took it upon myself to form a package of the minutes of the committee hearings on the bill and the second reading speeches, which I sent out to every premier in Canada and every major trade union in the country, asking them to look them over and to give me their opinions, because I thought that was the kind of job an effective opposition should do. The answers have started to come in, and I want to bring to the attention of the House the first response which I received today. It is very fortunate that it came in today. It was from Mr. Richard Hatfield, premier of the province of New Brunswick. He said:

Dear Mr. Rodriguez:

[Mr. Gilbert.]

Thank you for your letter of May 9 in which you invited our comments on Bill C-27. As you are no doubt aware, the province has already expressed its opposition to two key portions of the bill, and those have since been modified in response to overwhelming general objection. There are a number of other aspects of the bill which we view with some concern, so I have asked my officials to prepare a brief on these items.

He has done that and submitted to me his brief on what took place in committee. It is certainly an eye-opener. When I think of all the nabobs the government has at its disposal, all the so-called experts, we in this corner in the House are limited in terms of number and expertise; but surely, with some ingenuity, one could get the opinions of responsible people like the premier of New Brunswick. The comments that are made are rather revealing. They may have some application to what will be debated later today and tomorrow in the House. The first thing that the premier notes—I think it is very important and that the minister and members should be aware of it—is as follows:

It is characteristic of federal Manpower programs that their implementation or change has considerable impact on provincial programs. While the province appreciates that the federal authorities must change their priorities and programs in response to changing labour market conditions, it can only add to provincial frustration to be presented, without prior consultation, with a plethora of curtailments, terminations, initiations, and modifications in such program areas as unemployment insurance, vocational training, and job creation.

While it is true the bill presently before you is one concerning which there was prior notification to the province, there was no prior consultation—that is, there was monologue, but not dialogue.

Some hon. Members: Shame.

Mr. Rodriguez: He says, further:

As noted, we have voiced our concern about the most serious aspects of the bill and changes have been made. We do not feel, however, that these changes are yet totally adequate.

What is very important with respect to the minor attachment period or the qualifying period is what he says next:

To begin with, they are, and appear to be, ad hoc adjustments made in response to general opposition.

We have made that comment in the debate on this bill. First, the minister brought in Bill C-27 based on his comprehensive review on the unemployment insurance program, which moves the qualifying period from 8 weeks to 12 weeks. Apart from the shortcomings of the comprehensive review, which we pointed out extensively last night, the minister got a lot of flak from the backbenchers in his party. Suddenly he discovered light, like St. Paul on the way to Damascus. Suddenly he was struck, and discovered that there are regions in Canada where unemployment is much more serious than in others. This great enlightenment has come upon him suddenly. Do you know why it came? It came because of the threatened embarrassment by his backbenchers. Members from Newfoundland, Nova Scotia, New Brunswick, and Quebec objected to some measures in the bill and threatened the minister with the embarrassment of their voting against this bill. As Mr. Hatfield pointed out, quite correctly, the minister came in with ad hoc amendments to the bill. Mr. Hatfield went on to say:

They do not form part of an integrated yet flexible over-all goal regarding UIC. Secondly, the time constraint on the amendments completely negates the advantage of tying benefit and entrance regulations to regional labour market condi-

tions. To suggest that the 14-week rule will apply across the board in three years is tantamount to saying that in three years no more consideration will be given to regional conditions. This is a position totally unacceptable to the province.

The hon. member for Broadview (Mr. Gilbert) was very gentle when he said the official opposition has been pussyfooting around. It has capitulated and broken faith with its colleagues from the eastern parts of this country. Here is Premier Hatfield pointing out very important opposition. But the Conservatives are quick to jump in and pat themselves on the back, such as in the bumbling performance the other night when the hon. member for Hamilton West (Mr. Alexander) took all the credit for this monstrosity of a bill which is being perpetrated on the people of Canada. The hon. member knows full well that, under the bill, at the end of three years the qualifying period will be 14 weeks. Here is a Conservative premier pointing out the serious shortcomings of such a provision.

Will regional disparities disappear in three years, I ask you, Mr. Speaker, and members of the House? Nothing in the government's previous action or policies indicates to me that they intend to eliminate serious regional disparities in the country. They say, in the bill, that after three years regionality will no longer be a consideration. That is a condemnation of the minister's approach to this problem. What they brought in with this superimposition of 54 regions and the 10 weeks' to 14 weeks' sliding scale is just a measure to get them off the horns of a dilemma. It was to save the government the embarrassment of having its own backbenchers voting against it. I am glad that the hon. member for Gloucester (Mr. Breau) just came in.

● (1250)

Mr. Breau: I have been here all morning.

Mr. Rodriguez: I was just reading a letter from his premier. The government was looking for a way to get off the horns of a dilemma, and the minister and his nabobs came up with an ad hoc approach. The premier's letter points out other problems he had with the committee minutes I sent him, and with Bill C-27 in the form it now is. Premier Hatfield does not share my political philosophy, but I certainly admire his honesty and sincerity. I think he is a genuine conservative and I admire that. He is genuine and he levels with people. I admire that, too. When we deal with other problems at third reading of this bill I will read other parts of Premier Hatfield's letter with respect to work sharing, and so forth.

With reference to the qualifying period, our motion to send this bill back to the committee is a wise move. The minister and his nabobs are now hearing very constructive debate and constructive propositions with respect to the most serious problem facing Canada at the moment, namely, unemployment. What good is it to wrap ourselves in the flag and say that we have one country, if we still have 1½ million unemployed? We should be trying to serve the basic needs of our people. The hon. member for Broadview pointed out that the right to work is a very basic and fundamental right of every Canadian. That was also pointed out in the committee. Many groups and individuals came before the committee. I cannot think of a group which put the whole problem in a nutshell better than the United Auto Workers. Since the Conservatives are famous for quoting corporate sector briefs, I feel it is important that I quote what I consider to be an excellent synopsis of the whole question. I quote from the UAW brief as follows:

> Our society is characterized by a lack of job security. Jobs are dependent on the ups and downs of the market and the decisions of corporations geared to profit-maximization. At present the rate of unemployment in Canada is at a rate higher than at any time since the great depression and even the government acknowledges it will continue to get worse. As of March, 1977, Canada has a higher unemployment rate than any other industrialized country. As quick as the government was to restrain our wages in October, 1975, in the name of a national emergency, no such crisis is apparently recognized by the government today.
>
> We want jobs; we need jobs; the right to a job should be as basic as any civil rights (if not more so). The failure of the government and our social system to guarantee this right forces us to depend on unemployment insurance. The government, in Bill C-27, is attempting to further erode even this secondary right to unemployment insurance, and it offers as compensation for this certain reorganizational changes in the manpower programs.

That is one of the most excellent presentations we experienced in the committee's consideration of Bill C-27. There is no question that we have a problem in creating employment opportunities. There are certain policy directions this government must follow. There is work to be done. There are many job opportunities to be seized.

The other day I read about our trade relationship with Japan. In that study it was noted that 96 per cent of our exports to Japan are raw materials. On the other side of the trade picture, 95 per cent of our imports from Japan are manufactured products, primarily cars, cameras and electronic equipment. That, in a nutshell, is a microcosm of the problem. We have been allowed to develop a hinterland economy. Our people rip raw materials from the ground, cut trees down, and ship them out. In the area I represent, the predominant industry is mining. Our men and women take raw materials out of the ground. These raw materials are put into a semi-processed state—nickel pellets: we call them nickel matte. We ship those nickel pellets to Pittsburgh. Falconbridge ships its raw material to Norway.

We are badly in need of government policies which would make it uneconomic for resource companies to ship raw materials out of this country. There should be measures to encourage the processing of raw materials in Canada to finished products. There is no reason in the world why this government should permit a great country like Canada, with its fantastic resources, to be raped by multinational mining companies. Canada is not only being raped; it even pays mining companies to depreciate our resources. As our former leader, David Lewis, often used to say, there can be no rape if there is consent—and that is often what happens.

Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Ethier): It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

EXTENSION OF HOURS OF SITTING ON JULY 5 AND 6—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to move under the provisions of Standing Order 43 a motion of urgent and pressing necessity. I have discussed it with the hon. member for Winnipeg North Centre (Mr. Knowles) and with the leader of the government. I hope the House will accept it, because it is important to allow as many members as possible to speak in the next two days in the debate on national unity. I think there is agreement on that point at least. Accordingly, I move, seconded by the hon. member for Don Valley (Mr. Gillies):

That on Tuesday, July 5, 1977 and Wednesday, July 6, 1977, the ordinary time of daily adjournment shall be deemed to be 11 p.m. and 7 p.m. respectively.

Mr. Speaker: Order, please. Such motion can be presented at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. As the mover of the motion suggested, I agreed to the motion, and I do so on behalf of my party. But I think there should be an understanding that the hour tonight between ten o'clock and eleven o'clock shall be devoted entirely to the national unity debate and not to late show questions.

Mr. Baker (Grenville-Carleton): That is agreeable to us, Mr. Speaker.

[*Translation*]

Mr. Allard: Mr. Speaker, under the provisions of Standing Order 43—

Mr. Speaker: Order, please. I must put the question.

[*English*]

The House having given its unanimous consent, it is moved by Mr. Baker (Grenville-Carleton), seconded by Mr. Gillies, that on Tuesday, July 5, 1977 and Wednesday, July 6, 1977 the ordinary time of ordinary adjournment shall deemed to be 11 p.m. and 7 p.m. respectively.

Shall I add that this shall be done for the continuance during those hours of the debate on national unity?

[The Acting Speaker (Mr. Ethier).]

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. Is it the pleasure of the House to adopt the said motion?

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, we do not agree with those hours, we want the usual schedule.

[*English*]

Mr. Baker (Grenville-Carleton): Question.

Mr. Speaker: Is the House ready for the question? Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Baker, Grenville-Carleton) which was agreed to on the following division.

(Division No. 71)

YEAS

Messrs.

Abbott
Alexander
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Bégin (Miss)
Blackburn
Blais
Blaker
Breau
Brewin
Brisco
Broadbent
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Cullen
Cyr
Darling
Daudlin
Dawson
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Fairweather
Faulkner
Firth
Fleming
Fox
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Gillies
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Halliday
Hamilton (Swift Current-Maple Creek)
Harquail
Herbert
Hnatyshyn
Hogan
Hopkins
Huntington
Isabelle
Jarvis
Jones

Messrs.

Joyal	Marchand	Portelance
Kaplan	Marshall	Poulin
Kempling	Martin	Railton
Knowles (Winnipeg North Centre)	Masniuk	Raines
	Mazankowski	Reid
	McCain	Ritchie
Knowles (Norfolk-Haldimand)	McCleave	Roberts
	McGrath	Robinson
Korchinski	McIsaac	Roche
Lajoie	McKenzie	Rodriguez
Lalonde	McKinnon	Rompkey
Landers	McRae	Roy (Laval)
Lang	Milne	Rynard
Langlois	Mitges	Sauvé (Mrs.)
Lapointe	Muir	Savard
La Salle	Munro (Esquimalt-Saanich)	Scott
Lavoie		Sharp
Lawrence	Murta	Skoreyko
Lefebvre	Neil	Stanbury
Lessard	Nicholson (Miss)	Stanfield
Loiselle (Chambly)	Nowlan	Stevens
	Oberle	Symes
Lumley	O'Connell	Tessier
MacDonald (Cardigan)	Orlikow	Towers
	Ouellet	Trudeau
Macdonald (Rosedale)	Paproski	Trudel
	Parent	Turner
MacDonald (Miss) (Kingston and the Islands)	Patterson	Wagner
	Pearsall	Watson
	Pelletier	Whelan
MacEachen	Penner	Whiteway
MacFarlane	Peters	Whittaker
MacKay	Philbrook	Wise
Malone	Pigott (Mrs.)	Young—169.
	Pinard	

NAYS

Messrs.

Allard	Dionne (Kamouraska)	Lambert (Bellechasse)
Caouette (Villeneuve)	Gauthier (Roberval)	Laprise
Caouette (Témiscamingue)		Rondeau—8.

● (1430)

Mr. Speaker: I therefore declare the motion carried.

ORAL QUESTION PERIOD

[*English*]

ENERGY

ALCAN PIPELINE—POSSIBILITY OF ENVIRONMENTAL AND ECONOMIC STUDY OF DEMPSTER PIPELINE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and it arises out of the report yesterday by the National Energy Board about the possible construction of the Alcan gas line and the fact that the Canadian gas will be brought up, if it ever is, along the Dempster highway, a proposal about which we know nothing in terms of economic costs or environmental conditions. Given that recommendation, is the Prime Minister asking for the preparation or development of a study of the implications of the Dempster pipeline on native rights, economic and capital costs, environment and so on, so that the information will be made available to the Canadian people and in particular to the cabinet before they reach a decision so we will not find that the Canadian gas is locked in forever?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly examine the suggestion of the hon. member. I must confess that the report, which is very voluminous and was only put in our hands last night, has not yet been studied by cabinet.

ALCAN PIPELINE—SUGGESTION PRESIDENT OF UNITED STATES BE ASKED TO EXTEND DEADLINE FOR DECISION

Mr. James Gillies (Don Valley): Is the Prime Minister going to ask the President of the United States to extend the time in which the decision is made, given the fact that there are so many unknown factors about the Dempster line? I understand the president has the right to take until the end of December. Will the Canadian government request that he do so?

Right Hon. P. E. Trudeau (Prime Minister): I rather think that if the President of the United States wants to seek a delay, he will do so under his own steam. He may be in touch with us as to the likelihood of our making an announcement before September 1. I am sure there will be some communication between the two administrations, but I repeat that I have no thorough knowledge of the report which was brought down last night and I have not studied its implications in so far as talking to the President of the United States is concerned.

ALCAN PIPELINE—DISCUSSIONS WITH UNITED STATES ON BACKSTOPPING OF CONSTRUCTION

Mr. James Gillies (Don Valley): My question is directed to the Minister of Energy, Mines and Resources. I should like to ask him whether in fact there has been any communication between his department and his counterpart in the United States about the reality and reliability of the U.S. government backstopping the Alcan pipeline as was recommended by the National Energy Board?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I do not know of any specific discussions. There were general discussions in the sense of considering it at one time. As the hon. member knows, I have had some general discussions with the special adviser to the president, but they were of a general nature dealing with the various options that Canada had. I do not recall any specific exchange of views with respect to any backstopping.

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NORTHERN AFFAIRS

POSSIBILITY OF PROVINCIAL STATUS FOR YUKON

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Right Hon. Prime Minister. Yesterday's recommendations raise new questions about the future of the Yukon territory. If the NEB report is accepted by the government and by cabinet, the Yukon will have an area of substantial development without the ability which provinces have to funnel the funds in the best interests of the region. Will the Prime

Minister now take the initiative and begin the process of bringing that territory to full provincial status?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, you will recognize that the question is hypothetical.

MEASURES TO AID COMMUNITIES IF MACKENZIE VALLEY PIPELINE NOT BUILT

Mr. Doug Neil (Moose Jaw): I have another question for the Prime Minister and it arises as a result of the NEB decision. It has to do with the future of many small businesses and individuals in the Mackenzie Valley who built up their businesses with government encouragement in the expectation of a pipeline going through.

Some hon. Members: Oh, oh!

Mr. Neil: I am thinking specifically of the town of Inuvik which spent several million dollars on infrastructure at the instance of this government.

Some hon. Members: Hear, hear!

Mr. Neil: Will the Prime Minister tell the House whether the government has prepared an alternative northern development program in the event that there is no pipeline development in the Valley?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I realize that members on the other side want to express some views on what their preferences are as to the pipeline and what should be done by the government in certain circumstances. That is why the House leader has committed the government to a debate in the House on this subject. The hon. member is asking questions about what would happen if the government does such and so. I repeat that we only received the report last night, we have not studied it, and therefore the questions asked of the government are premature. If they are representations, we will take them into account.

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ENERGY

ALCAN PIPELINE—SUGGESTION PRESIDENT OF UNITED STATES BE REQUESTED TO EXTEND DEADLINE FOR DECISION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister which arises from his answer given to the hon. member for Don Valley. The Prime Minister, I say with respect as one says around here, seems to have missed the point of the question.

Some hon. Members: Oh, oh!

An hon. Member: Not unusual.

Mr. Broadbent: Since the information that the NEB had on the social and environmental aspects of the Alcan route was, to say the least, limited and since the government's Department of the Environment and the Lysyk study are looking at precisely these matters, from the point of view of Canadian interest would the Prime Minister get in touch with President Carter to request an extension of the September 1 deadline to which he referred?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Dean Lysyk's study is supposed to be brought to the government on August 1. We would contemplate making it public as soon thereafter as possible. The deadline of the end of August which we have imposed on ourselves is still reachable. If we find it cannot be reached, I would consider suggestions from the leader of the NDP.

ALCAN PIPELINE—PROPOSED EXTENSION OF TIME FOR LYSYK INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Since the time allocated for the kind of survey and hearings undertaken by the Lysyk inquiry, if my memory serves me correctly, amounts to about six weeks, which is considerably less than that taken by the Berger inquiry to cover similar kinds of considerations, does the Prime Minister not think it appropriate to extend the term of the Lysyk inquiry, say, by two to three months, so that an adequate job can be done, and therefore, related to that, request of President Carter that he put off the September 1 deadline in the full knowledge that President Carter himself knows he can do that and has at least until December 1?

Right Hon. P. E. Trudeau (Prime Minister): I think the leader of the NDP would be better advised to wait until he sees the Lysyk report. Perhaps it will be satisfactory to him and to the House. If it is not, then he can make his representations at that point.

NORTHERN PIPELINE—PUBLIC OPINION SURVEY AS BASIS FOR DECISION

Mr. Edward Broadbent (Oshawa-Whitby): Representations at that point in terms of a predetermined debate time by the government would be a little futile. I would like to ask my last supplementary of the Prime Minister and ask him if he would confirm that the government will reach its final decision on the pipeline on the basis of a public opinion survey which the government party has commissioned and a copy of which I have here, labelled "Super Rush, Secret" to be completed and turned in with the results by yesterday. Is that going to be the real basis of the government's decision on which route to take for the pipeline?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Personally, I have not seen this question quoted by the hon. member nor the questionnaire in which it would be contained. Perhaps it is a survey put out by some supporters of the NDP.

Some hon. Members: Hear, hear!

● (1440)

[*Translation*]

FINANCE

SUGGESTION GOVERNMENT LEND MONEY AT ADMINISTRATION COST—GOVERNMENT POSITION

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is for the Minister of Finance.

As reported in *Le Devoir* of June 28, the Islamic Development Bank makes interest-free loans, or loans at administration cost only. Did the minister contact that bank to see how it operates, so as to apply the same method in Canada? If so, is the minister prepared to use it in the near future?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

Mr. Caouette (Témiscamingue): Mr. Speaker, if the minister is unaware, could he ask his department to undertake a study precisely to apply such interest-free loans, as is done in other countries, contrary to what his party has said for a number of years, namely that it was not done elsewhere?

Mr. Macdonald (Rosedale): Mr. Speaker, I am prepared to review the hon. member's question.

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[*English*]

ENERGY

DEMPSTER PIPELINE—POSSIBILITY OF COMPLETING ENVIRONMENTAL STUDY PRIOR TO SEPTEMBER

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Fisheries and the Environment, and in the absence of the Minister of Indian Affairs and Northern Development I will direct my question to the Minister of Energy, Mines and Resources. In view of the emphasis placed by the National Energy Board upon the importance of the Dempster link in the Alcan proposal, and in view of the fact that there has been no environmental study prepared or commissioned on this important 600-mile corridor, will the minister advise whether the government, logically through the Department of the Environment, has the capacity to complete an adequate environmental assessment prior to September 1? Alternatively, is the minister of the view that the proponents would have the capacity to complete that review before September 1?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased to relay that question to the Minister of the Environment. I am not in a position to give a precise answer to the question, but if the hon. member would look at the report of the National Energy Board, he would find that the kinds of questions he just asked are anticipated in that report.

POSSIBILITY OF COMMITMENT TO ALCAN PIPELINE PRIOR TO ENVIRONMENTAL STUDY OF DEMPSTER PIPELINE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I quite agree, but there was no indication in the report that such a review could be carried out by September 1 or, alternatively, by December 1. Is it the minister's view that a commitment to the Alcan proposal—which would in the future rely very heavily, according to the NEB, on the Dempster link—should be made before an adequate environmental assessment can be completed on that portion to which I have just referred, namely, the Dempster link? In other words, is it the position of the government that a commitment to the Alcan route can be made before an adequate environmental assessment?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member has confirmed that his question was based on what is anticipated in the NEB report. The Prime Minister has made it very clear that we have not as yet had a chance to study all the implications of that report. We look forward to doing so in the very near future.

Mr. Jarvis: Mr. Speaker, I very much regret that the minister has misunderstood me. I will make my question perfectly clear. Regardless of the National Energy Board report, is it the government's position that a commitment to Alcan can be made before an environmental assessment of the Dempster link is completed?

An hon. Member: Yes or no.

Mr. Gillespie: Mr. Speaker, I made it very clear that these are questions which the government is considering at the present time. We have not taken a decision on these matters.

An hon. Member: You never do.

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EXTERNAL AFFAIRS

GARRISON DIVERSION—PROPOSED REFERENCE OF INTERNATIONAL JOINT COMMISSION REPORT TO COMMITTEE

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in the absence of the Minister of Fisheries and the Environment and the Secretary of State for External Affairs my question is for the Prime Minister. It has to do with the anticipated final report of the International Joint Commission with reference to the Garrison Diversion project which is expected later this month. Would the Prime Minister assure the House that this final report will be referred to the Standing Committee on Fisheries and Forestry so that the committee can take a very critical and close look at the final recommendations of the IJC?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to take notice of the question, and I will be happy to see that it is answered.

CONSUMER AFFAIRS

SUGGESTED MANDATORY STANDARDS FOR RUSTPROOFING OF AUTOMOBILES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It has to do with the terrible rip-off Canadian consumers have been subjected to over the last few years with regard to rusting of automobiles. I fully concur with the actions of the minister today in this regard. An authorized official of the National Research Council said yesterday that rustless cars could be built. He said, and I quote:

> There are no technical limitations to the production of a vehicle which would be free from corrosive failure for its normal mechanical life.

In view of this statement by an authorized official of the National Research Council is the minister now ready to make rustproof standards for automobiles made in Canada or imported into Canada mandatory and not voluntary?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the hon. member for his encouragement. I, too, noticed in the newspaper this morning mention of the report of the National Research Council. I have requested a copy of the report. I have heard Dr. Cohen of that institution express views similar to those quoted. Thursday and Friday I will be meeting with my provincial colleagues at a federal-provincial conference of consumer ministers at which time we are going to consider the proposed anti-rust code which I introduced previously. I am hopeful my provincial colleagues will concur with my views. I am encouraged by their comments to date, and I hope there will be some agreement coming from them and general support from the automobile industry.

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EXTERNAL AFFAIRS

PAKISTAN—RECOGNITION OF MILITARY REGIME AND RESTORATION OF PARLIAMENTARY DEMOCRACY—GOVERNMENT POSITION

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, in the absence of the Secretary of State for External Affairs I have a question for the Prime Minister. Is the government giving consideration to recognition of the new military regime in Pakistan, and will the Prime Minister consider expressing to the president of Pakistan the concern of Canadians for the personal safety of the elected representatives of the people of Pakistan and for the early restoration of a parliamentary democracy in that country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member certainly expresses the feelings of the government in general, but in this particular case I was just informed of the coup a few minutes ago, and I have not yet been informed as to the steps which might have been taken by the Secretary of State for External Affairs. I will inquire.

[Mr. Trudeau.]

ENERGY

ALCAN PIPELINE—PROPOSAL UNITED STATES ASSUME EXPORT COMMITMENTS WHEN LINE COMPLETED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that Canada exports one trillion cubic feet of gas per year, which is 40 per cent of our total production and which means that we are exporting cheap gas, and in view of the fact that after a period of 20 years we will be purchasing very expensive gas from the Arctic, I want to ask the minister if, in the course of negotiations with the United States government regarding the proposed Alcan route, it is the government's intention to suggest to the United States that when that line is completed the Americans take over some of Canada's export commitments to the United States so that a larger amount of gas may be retained for the use of Canadians at reasonable prices?

Some hon. Members: Hear, hear!

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, this is the same kind of question the hon. member's leader was asking a few moments ago. It is based on a series of hypotheses. It has been made very clear that the government has not yet taken a decision with respect to the Alcan route, although that was the recommendation of the National Energy Board. There are a number of implications of the NEB recommendations with respect to conditions and terms imposed on the applicant and the United States, and I think it would be quite premature for me to express any view on that at this time.

MEASURES TO ENSURE INCREASE IN CONSUMPTION NOT GREATER THAN TWO PER CENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I hope, however, that the minister will keep that in mind.

In view of the fact that conserving energy is one of the alleged goals of the government and that the minister has set a 2 per cent increase in our energy consumption as the goal for 1985, and in view of the fact that the National Energy Board report tabled yesterday says that from 1985 to 1990 our increase in consumption will be 3.5 per cent, does the minister agree with that estimate? If he does, what steps is he going to take to change the situation so that we will reach the 2 per cent goal which he has told the House is his objective?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not accept the higher figure. I made it quite clear that in total energy terms I think we should be able to get our rate of growth down to the lower figure. I think the hon. member should recognize that a number of different assumptions are built into the NEB report. The board had a slightly lower figure, for example, in its oil report, which was just recently received. I believe that my figure is attainable, given the support of the provinces and the aware-

ness and the support of the Canadian people for getting our energy consumption down to very close to a zero rate of growth by 1985.

NORTHERN PIPELINE—DATE OF DEBATE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my final supplementary is directed either to the Prime Minister or to the President of the Privy Council, the government House Leader. In view of the fact that both hon. gentlemen have stated there will be an opportunity for the House to have a debate first of all on the National Energy Board report and second, that when the government has made a decision with respect to the matter it will be submitted to the House for discussion and a vote, I want to ask the government what timetable they have in mind. Since the Lysyk report will not come in until the end of the month I assume the debate on energy will take place in August. When does the government intend to give the House an opportunity to debate and approve or disapprove the Alcan route recommended by the National Energy Board?

● (1450)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, on the first point, I expect that we will recall the House early in August in order to have the views of the House after all relevant reports have been tabled. Hopefully that will be the first week in August. There is no commitment on my part at any time that any particular decision would be put before the House for ratification at that time. What I have said is that it would be inconceivable that a project of this magnitude could be undertaken without legislative action by the House.

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REGIONAL ECONOMIC EXPANSION

DIFFERENCE BETWEEN PENSIONS PAID TO MINERS IN CAPE BRETON AND NOVA SCOTIA—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the difference between the pension paid to miners in Cape Breton and pensions paid to miners in the rest of Nova Scotia, and in view of representations that have been made to the minister as well as to the Minister of Mines in Nova Scotia, I wonder if the minister could tell the House whether he is taking a serious look at the situation in order to reduce this disparity in a single province?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am willing to have another look at the situation, but I should like to remind the hon. member and the House that some time ago DEVCO studied the problem and improved the Cape Breton miners' pension plan considerably. I am quite willing to take up the matter again with DEVCO's management and to report to the hon. member what has been decided, but once again I believe we have done quite a lot to improve the lot of Cape Breton miners.

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[*English*]

LABOUR CONDITIONS

SPLITTING OF UNION ALONG LINGUISTIC LINES—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Prime Minister, Mr. Speaker. In view of the recent decision of the Canadian Labour Relations Board in splitting along linguistic lines national bargaining units of the CBC, I wonder if the Prime Minister can tell the House if this splitting along linguistic lines is an affirmation and full extension of bilingualism or is it the beginning of the conversion of the government to deux nations? Also, in view of the precedent that this creates for other national bargaining units, what action if any does the Prime Minister intend to take?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware that the hon. member is referring to a specific case. If he is, it would be before a quasi-judicial body and I do not think it would be appropriate for him or for me to comment. If he is talking about principles in general, I must say that on this point I agree with the preamble that the hon. member made. We do not intend to see the country split on linguistic or racial lines.

Mr. Speaker: A supplementary.

Mr. Nowlan: Mr. Speaker, I thank the Prime Minister very much for that answer in part. I can understand now why he does not have his tie tied too tightly because he is a very slippery character, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Nowlan: Very, very slippery. The interesting thing and ironic thing, Mr. Speaker, and the paradoxical thing, Mr. Speaker—

Mr. Speaker: Order. Does the hon. member have a supplementary question?

Mr. Nowlan: Mr. Speaker, if you could restrain yourself—

Some hon. Members: Oh, oh!

Mr. Nowlan: —as well as the Prime Minister ever restrains himself in giving information to this House—

Some hon. Members: Oh, oh!

Some hon. Members: Order.

Mr. Nowlan: I should like to draw to the Prime Minister's attention, Mr. Speaker, especially ironically, paradoxically, on the Canada Day—

An hon. Member: Resign.

Mr. Nowlan: I will resign the day you want to resign and I will fight the election right now, lover boy.

Mr. Speaker, the interesting point of this is that this decision, that is not now pending before a judicial body but is an actual decision of the Canadian Labour Relations Board and is now in effect, came out ironically on the weekend that we celebrated Canada Day, July 1, Dominion, the first, you name it—it fits everybody—

An hon. Member: What is the question?

Mr. Nowlan: The question is this, Mr. Speaker: Because I asked two ministers of the Crown yesterday about this decision, neither of whom knew anything—they did not know—they did not have a—

Some hon. Members: Order.

Mr. Speaker: Order, please. Order, please. I wonder if the hon. member would put his question forthwith.

Mr. Nowlan: Never, Mr. Speaker, in the history of parliamentary democracy on July 5 have I seen you so anxious to rule me out of order. My question is this. Since two ministers of the Crown yesterday did not know what I was talking about in terms of a decision of the Canadian Labour Relations Board that splits national bargaining units along linguistic lines—

Mr. Speaker: Order, please. Order, please.

Mr. Nowlan: The Prime Minister does not know it today and you, Mr. Speaker, do not know it today.

Mr. Speaker: Order, please. Order, please. The hon. member for Esquimalt-Saanich.

Mr. Nowlan: Oh, no. Mr. Speaker, I have a supplementary.

Mr. Speaker: Order, please. Order, please.

Some hon. Members: Oh, oh!

Mr. Nowlan: I have a supplementary to the Prime Minister on something that is so fundamental that—

Some hon. Members: Order.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nowlan: I will sit if you let me have a supplementary.

Mr. Speaker: Order, please. Order, please. The hon. member for Esquimalt-Saanich.

Mr. Nowlan: No, no!

Some hon. Members: Oh, oh!

[Mr. Nowlan.]

Mr. Nowlan: You can say oh, ho, no but I want the Speaker to tell me to sit in my place and tell me that I do not have a supplementary to the Prime Minister.

Mr. Speaker: Order, please.

Mr. Nowlan: If the Speaker says this to me I will sit in my place and then rise at three o'clock and badger this House and the Chair and the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: Where is your leader?

Mr. Nowlan: Are you going to order me out?

Mr. Speaker: Order, please. The hon. member for Esquimalt-Saanich.

Mr. Nowlan: Are you prepared to tell me I do not have a supplementary to the Prime Minister?

Mr. Speaker: The hon. member for Esquimalt-Saanich.

Some hon. Members: Shame!

Mr. Munro (Esquimalt-Saanich): My question is to the Minister of Energy, Mines and Resources—

Mr. Nowlan: Who is the shame? The shame is the Chair and you people.

Some hon. Members: Oh, oh!

Some hon. Members: Order.

Mr. Nowlan: If he wants to carry me out he can. This place has become Mickey Mouse.

Some hon. Members: Oh, oh!

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RESOURCES

JURISDICTION OVER RESOURCES IN THE SEABED BETWEEN VANCOUVER ISLAND AND MAINLAND

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the Minister of Justice, and since this question concerns energy, mines and resources, I direct it to that minister. Could the minister tell the House what stand the government is taking in the matter of federal-provincial jurisdiction over the waters lying between Vancouver Island and the mainland, and even more particularly over the resources on and under the seabed of those waters? Is he able to say where this matter stands before the courts? Is the government seeking yet another confrontation with yet another province?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I wish I could give the hon. member

a full and detailed exposition of the position at the present time. This has been under examination by the government. As the hon. member must know, there have been discussions with the United States and with the provinces of Canada. The best I can do right now is pass on the hon. member's representations to the Secretary of State for External Affairs and draw it to his attention.

Mr. Munro (Esquimalt-Saanich): I am absolutely staggered, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): —that the minister should bring the United States and the Secretary of State for External Affairs into a matter relating to waters between Vancouver Island and the mainland. It has nothing whatever to do with the United States. I wonder how the minister can rationalize a claim by the federal government over inorganic seabed resources as well as claims over resources under the seabed in waters lying between Vancouver Island and the mainland? Does he advocate that the Island separate from the mainland in order to create an 11th province? Is that Canadian unity?

Mr. Gillespie: Mr. Speaker, as the hon. member probably understands, there have been discussions with the United States with respect to boundary questions, involving the moving of fish and involving mineral resources on the seabed.

Mr. Munro (Esquimalt-Saanich): I am talking about the waters between Vancouver Island and the mainland.

Mr. Gillespie: If I misunderstood him with respect to his question and the area he is concerned with, I apologize and will refer the question to the Secretary of State for External Affairs.

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● (1500)

AIRPORTS

CALGARY—MEETINGS WITH MINISTER CONCERNING INCREASED RENTAL CHARGES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question for the Minister of Transport arises out of the user fee or rentals to be charged at Calgary airport. Does the minister intend to intervene personally in the dispute concerning increased rental charges which MOT intends to impose on the seven airlines which will use the facilities of the airport? If so, when will he hold such meetings and with what parties?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, several persons who want the facilities at the airport have asked to see me. I have agreed to see them later this week but cannot give the hon. member the exact time.

FINANCE

GOVERNMENT POSITION ON ADOPTION OF ECONOMIC TARGETS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a question to the Minister of Finance relating to the meeting of the OECD nations in Paris. Will Canada comply with the OECD request that in future economic goals shall be established by every country in order to better control inflation and unemployment, which is what the meeting in Paris recommended?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that was not the recommendation. The hon. gentleman will see when he examines the communiqué that some countries adopted the concept of targets. I, in indicating what we see as the weakness of that particular approach, indicated we would continue the stabilization policies of the past.

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

Some hon. Members: Hear, hear!

An hon. Member: Your leader has arrived.

Mr. Stevens: Mr. Speaker, may I direct my supplementary question to the Minister of Finance who just indicated that he feels the establishment of targets is not desirable for Canada. He is reported as saying that he feels such goals are not advisable because people may lose confidence in the government if the goals are not attained. Will the minister say if that is a correct report of what he said in Europe? Second, would he explain the statement more fully because, surely, if the goals are not attained that is exactly what the public should do—have no further confidence in the government?

Mr. Macdonald (Rosedale): Mr. Speaker, as I pointed out to the hon. gentleman previously in the debate on this question, and as I pointed out to the OECD meetings, many aspects of economic performance in Canada are going to be subject to variables which no government, irrespective of political complexion, will be able to control. Therefore to hold out to the public a pretention that, for example, the impact of increases in foreign food prices or other impacts of that kind can be controlled by the government is to create an expectation which no government can fulfil and which we think it would be unwise to hold out in the first place.

* * *

TOURISM

LIMITATION ON NUMBER OF PASSENGERS ON CHARTER FLIGHTS TO VICTORIA BECAUSE OF LACK OF CUSTOMS SERVICES—GOVERNMENT ACTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister, who is supposed to be supporting tourism strongly, aware that charter flights bringing tourists from the United States to Victoria, B.C., are not permitted to bring more than

117 passengers at a time, by an edict of the customs services? One company, "Ports of Call" from Denver now flying in charter groups on Convair 190s, is being forced to turn away customers while it flies in 117 passengers and 33 empty seats on each flight. Is the minister aware that his work is being cancelled out in this fashion?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

Mr. McKinnon: A supplementary question, Mr. Speaker. Will the minister confer with the Minister of National Revenue to see if she can make additional customs officers available, and will he also confer with the Minister of Transport, to convince him that he should make space available for customs use at the airport? Perhaps he could get these two ministers to play on the same team he is on.

[*Translation*]

Mr. Chrétien: We are all playing on the same team, and all's well for the time being, Mr. Speaker.

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ENERGY

REQUEST THAT NORTHERN GAS PIPELINE SERVE DAWSON REGION BEFORE UNITED STATES

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

As the prime reason invoked by the government to justify the construction of a pipeline in northern Canada to transport, eventually, Canadian gas to the southern areas of the country, as no oil company will be interested in exploration without being sure that any new gas can be brought down to markets in southern Canada, can the minister tell the House whether the government will require the Foothills consortium to commit itself to building the pipeline that will transport Canadian gas from the Mackenzie Delta to the Foothills network near Danson, when Canadian government requests it to do so, before awarding it the contract for the transportation of American oil from Alaska to southern United States?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, that important aspect of the National Energy Board's decision rendered yesterday and conveyed to the government will be examined closely in the weeks to come.

Mr. Speaker: Order, please. In view of the unusual circumstances which arose earlier this afternoon, perhaps hon. members will agree to ending the question period after I recognize the hon. member for St. John's East and the Leader of the Opposition.

[Mr. McKinnon.]

HOUSE OF COMMONS

REQUEST FOR REPAIR OF AIR CONDITIONING SYSTEM

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Public Works. I wonder if the minister could put to use some of this country's sophisticated technology with which we can provide leadership in using nuclear energy for peaceful purposes and putting satellites in space orbit to repair the antiquated air conditioning system of this House.

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, that sounds like an excellent suggestion.

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ROYAL CANADIAN MOUNTED POLICE

REPORTING RELATIONSHIP BETWEEN FORCE AND PROVINCES CONTRACTING FOR ITS SERVICE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Solicitor General. I wonder if the Solicitor General can advise the House of Commons whether he or his officials are giving consideration to a review of the reporting relationship between the Royal Canadian Mounted Police and those provinces to whom their services are contracted.

Hon. Francis Fox (Solicitor General): Mr. Speaker, as the hon. gentleman knows, I attended a meeting of attorneys general in Ottawa last week during which I discussed that very question with various attorneys general. Some told me they were entirely satisfied with their working relationship with the force, but one or two said the relationship could be improved. I, of course, am interested in seeing working relationships with the force improve.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I rise on a question of privilege. A few minutes ago, we voted against the motion moved by the House Leader of the Official Opposition to extend the hours for debate on the important issue of national unity, scheduled for today and tomorrow. We were somewhat amazed on this side of the House because last week, when we attended the House leaders' meeting to discuss the hours for that debate today and tomorrow, I myself suggested that there should be a time extension in order that a larger number of members could express their views, and I also looked for assurances that at least four spokesmen for our party could rise during that important debate. We could not secure that assurance, and moreover we were not consulted later concerning the hours for today's debate. This is why we felt compelled to vote against the motion and I would take this opportunity to submit respectfully that we often experience difficulties on this side of the House in having our objections recorded to motions under Standing Order 43, while on the government side the hon. member responsible for objections simply shakes his head.

Therefore, Mr. Speaker, in view of the importance of the national unity motion put forward by the Prime Minister (Mr. Trudeau), since the Social Credit Party of Canada has suggested during House leaders' meetings that the debate should be extended by four hours in order that a larger number of members could speak on the question, and since no consultations were held with the Social Credit Party of Canada, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House extend the July 6 sitting from 7 to 10 p.m.

Mr. Speaker: Order, please. Under the guise of a question of privilege the hon. member clearly put up a question for debate in another form. This certainly is not a genuine question of privilege.

• (1510)

[*English*]

Mr. Nowlan: Mr. Speaker, I do not want to get involved in the Social Credit leadership problems or anything else. In view of the nature of the debate this afternoon, I apologize in part for perhaps over-extending some of my rhetoric. Because of the fundamental concern I have about the question, I will use the rules properly and not prolong this part of the afternoon. I will certainly put my question at ten o'clock and hopefully come back to the Prime Minister (Mr. Trudeau) tomorrow for a solution.

Some hon. Members: Hear, hear!

Mr. Lawrence: Mr. Speaker, I rise on a point of order with regard to the incompleteness of a letter tabled on June 30 by the Minister of Supply and Services (Mr. Goyer). It is only today that I have had the opportunity from the Chair of getting a translation of it. I believe a copy of it is available for Your Honour.

I draw Your Honour's attention to words about half way down the letter which indicate the existence of certain copies of telegrams which are "annexed to the letter". My submission is simply this. If they are annexed to the letter and accompany the letter, they are part of the letter. If they are part of the letter, they should have been tabled with the letter. I make this point now in the hope that Your Honour will take this under consideration for 24 hours during which time I hope the minister will be in a position to table those telegrams. If not, I hope Your Honour will then be in a position to order the production of those documents.

Mr. Speaker: I certainly would not want to interrupt the debate of the next two days to hear argument and try to settle a rather complex point of order of that nature. I am not clear on the precedents as to whether the requirements were adhered to in tabling the letter, whether quotations from it extend to any enclosures. I will have to examine that. Perhaps we can discuss the point on Thursday afternoon at three o'clock.

Statutory Instruments

ROUTINE PROCEEDINGS

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

TABLING OF LETTERS BETWEEN MINISTER AND FORCE DATED OCTOBER 11 AND 26, 1972

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I would like to table two copies of a memorandum sent by my executive assistant, on October 11, 1972, to the commissioner of the RCMP, as well as an answer to this memorandum sent to my executive assistant, on October 26, 1972, by the assistant director general of the RCMP security service.

[*English*]

Mr. Speaker: I take it that document is in response to the second point of order raised by the hon. member for St. John's East (Mr. McGrath).

Mr. Lawrence: Mr. Speaker, I rise on a point of order. In the past we have had some difficulty getting translations of some of these letters that are tabled. Certainly the point was validly raised by the hon. member opposite the other day in refusing permission to give unanimous consent to a matter that was not tabled in both official languages. May I ask if these are in both languages, and if not, why not?

[*Translation*]

Mr. Goyer: Mr. Speaker, certainly to the satisfaction of the hon. member, I would tell him that the documents I tabled are copies of the original. The memorandum was drafted in English as was the answer to it, which means that the hon. member will have no problem to understand.

* * *

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FOURTH REPORT

Mr. Robert McCleave (Halifax-East Hants) moved that the Fourth Report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Wednesday, June 29, 1977, be concurred in.

He said: Mr. Speaker, may I tell the House very briefly the purpose of this motion. It is to provide for a lesser or smaller quorum over the summer so that we can keep up with our work, presuming we will be lucky enough to get out of here in the first place.

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

Some hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: 1,406, 2,335, 2,558, 2,779 and 2,792.

[*Text*]

DREE PROGRAMS IN ATLANTIC REGION

Question No. 1,406—**Mr. MacDonald (Egmont):**

1. Is DREE aware that the 1976 APEC report *Industrial Incentives Programs in the Atlantic Region* comments that "it is simply hard to believe that the region requires nearly 300 incentives programs"?

2. Has DREE taken any initiative to (a) coordinate (b) prevent duplication among the programs and, if so (i) in what way (ii) which programs?

3. Is DREE satisfied that there is adequate coordination among industrial incentive programs in the Atlantic region and, if not (a) for what reasons (b) which programs is DREE dissatisfied with?

4. Is DREE involved in any regular meetings which seek to coordinate two or more of the incentive programs, and is there any formal mechanism through which administrators of each program are notified of changes in other programs?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply from the Department of Regional Economic Expansion is as follows: 1. DREE is aware of this statement but its own analysis suggests that the number of financial incentive programs in direct support of industrial development in the Atlantic region is but a fraction of the stated amount.

2. As a matter of policy, DREE takes into consideration any assistance made available to applicants under the Regional Development Incentives Program by other departments, provincial governments, municipal or local bodies. This prevents duplication between programs and helps ensure that their application is coordinated. As a further coordination mechanism, larger and more complex cases are reviewed by the Incentives Advisory Board, composed of representatives of DREE and other federal departments.

3. DREE believes that the policy and procedures outlined in the above answer to question 2 provide for an adequate level of coordination with other programs available in the Atlantic region.

4. DREE is involved in regular meetings with officials of the federal Department of Industry, Trade and Commerce to coordinate the application of the Program for the Advancement of Industrial Technology (PAIT), the Program to Enhance Productivity (PEP), and the Industrial Design Assistance Program with the application of the Regional Development Incentives Act (RDIA). Through such arrangements DREE is kept informed of any changes in the provisions of these programs. DREE is also involved in regular meetings of the review boards which are involved in coordinating the application of RDIA with the incentive programs that are jointly funded with the provincial governments. These jointly-funded programs include the Industrial Assistance Program and the Service Sector Assistance Program in Prince Edward Island, the Tourism Assistance Program, and the Pilot Programs in Kent county and northeastern New Brunswick in New Brunswick, and the Newfoundland and Labrador Development Corporation Limited and the Industrial Incentives Program administered by the Newfoundland and Labrador department of rural development. In addition, although it is not a jointly-funded program, DREE is represented at review meetings of the Rural Industries Program in Nova Scotia in order to coordinate the application of this program with RDIA.

[Mr. Speaker.]

FEDERAL EMPLOYEES CHARGED WITH POLICY-MAKING—DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 2,335—**Mr. Stevens:**

As of December 31 (a) 1968 (b) 1976, how many federal employees were charged with policy-making, or interpretation of policies, regulating the development and management of Indian and Northern affairs?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Indian Affairs: (a) 1968, 24; (b) 1976, 56. Northern Affairs: (a) 1968, 39; (b) 1976, 30.

GROS MORNE PARK

Question No. 2,558—**Mr. Marshall:**

What projects are being carried out and/or completed (a) under the original $5.3 million provided through the Gros Morne Subsidiary Agreement (b) under the new $8 million agreement extended to March 31, 1980 including (i) a list of capital works projects to be carried out this summer (ii) highways work (iii) fishing facilities and other works?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply from the Department of Regional Economic Expansion is as follows: (a) Projects initiated under the Canada-Newfoundland Gros Morne Park Area Development Subsidiary Agreement, signed on May 28, 1974: (1) Tourism Studies; (2) Regional Planning and Land Use Studies; (3) Inshore Sports Fishing Study; (4) Rocky Harbour Water and Sewer Systems; (5) Norris Point/Neddy Harbour Water and Sewer Systems; (6) Cow Head Water and Sewer Systems; (7) Trout River Water and Sewer Systems; (8) Woody Point Water System Extension; (9) Solid Waste Disposal Study and construction: Norris Point—Rocky Harbour, Cow Head area, Woody Point area; (10) Access Road route 430 to Rocky Harbour; (11) Reconstruction and paving Norris Point to Rocky Harbour; (12) Highway 430 reconstruction St. Paul's to Shallow Bay; (13) Paving main road in Cow Head; (14) Bridge construction—Crousher's Gulch. (b) The amendment to this agreement, signed April 22, 1977, provides funding for the continuation and completion of the following projects, as originally identified by the agreement; (1) Tourism Studies; (2) Regional Planning and Land Use Studies; (3) Rocky Harbour Water and Sewer Systems; (4) Norris Point/Neddy Harbour Water and Sewer Systems; (5) Trout River Water and Sewer Systems; (6) Woody Point Water System Extension; (7) Solid Waste Disposal Study and construction: Norris Point—Rocky Harbour, Cow Head area,

Woody Point area. The Gros Morne Park Area Development Subsidiary Agreement is implemented under the direction of a federal-provincial management committee. Work to be carried out this summer will include continued activity towards completion of projects identified in section (b); in addition, the management committee will approve other projects on an on-going basis for implementation during the summer.

COST OF ROYAL COMMISSION ON WORKING CONDITIONS IN POST OFFICE DEPARTMENT

Question No. 2,779—**Mr. Rodriguez:**

What was the total cost of the Royal Commission on Working Conditions in the Post Office Department?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Total Cost: $78,960.

OPERATION FRIENDSHIP

Question No. 2,792—**Mr. Marshall:**

Did the Department of Veterans Affairs offer or give assistance to the various British agencies sponsoring Operation Friendship, in advising veterans who served in Britain in a military capacity, or granting special coupons offering savings on food, drink, accommodation on visiting the UK during the Royal Jubilee and (a) if so, in what manner (b) if not, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No. (b) The department was not requested to do so.

[*English*]

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

Mr. Cossitt: Mr. Speaker, I rise on a point of order to refer briefly, as I have on a number of occasions, to certain unanswered questions. The first are questions concerning the Canadian Broadcasting Corporation and its international program service, questions Nos. 67 and 68 and questions Nos. 70 to 75 inclusive. These questions have stood on the order paper both in this session and in the last session for approximately one year. They concern matters of possible information, documented in the questions, by the Department of External Affairs for the international service of CBC. After one year and after having raised this point of order a number of times, I think I am perfectly justified in asking why on earth these answers are being hidden both from the public and from parliament.

Finally, I wish to refer to question No. 1 on the order paper which has been there since the beginning of this session. It also goes back to the last session, making a total of a little over one and a half years. The question asks for something very simple, the amount of business received since April 20, 1968, when our present Prime Minister (Mr. Trudeau) took office, up until now by William Teron or any companies with which he is associated. That man, of course, is now the president of Central Mortgage and Housing Corporation.

Why does it take one and a half years or more to answer this very simple question. Surely, it should not be held back because the man is head of a government corporation. It should not be held back because he is a personal friend of the Prime Minister. This is information to which this House is entitled. I feel that the parliamentary secretary or the President of the Privy Council (Mr. MacEachen), who is peering through the curtains, might take notice of this fact, although I notice he is not paying much attention to what we are saying.

Mr. MacFarlane: Does anybody?

Mr. Cossitt: It is obvious that those on the other side never pay much attention to anything. It is about time that someone in authority in the government did. If the ministers will not do that, the Prime Minister should. He supposedly has supreme authority in this country. He should tell these departments to answer the questions on the order paper and not stall with regard to giving information asked for by members of parliament on behalf of Canadian people for a year and a half and goodness knows how much longer. Perhaps the Prime Minister would like to reply to this point of order.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT BUSINESS

[*Translation*]

CONFEDERATION

DEBATE ON NATIONAL UNITY

Right Hon. P. E. Trudeau (Prime Minister) moved:

That members of this House dedicate themselves anew to the continuing unity of Canada as a free and independent country organized on the basis of a federal form of government with two official languages and a diversity of cultures.

He said: Mr. Speaker, whether one looks at the present world or back upon past history, one finds that the great eras of all peoples are always full of appeals to build or save the nation. We, Canadians, are now addressing ourselves to both tasks at the same time. We must build as well as preserve our country, and this twofold task, seldom seen in the life of nations, draws today public attention to the House and to this debate which I have the privilege to open.

But why such a debate, you will ask? Certainly not because we are divided on the issue of national unity. This country's unity has been the primary purpose of every Parliament, every government since Confederation. The national unity concept is not linked to any government nor any party in particular. I am confident that all hon. members will not allow anybody to question Canadian unity. However, I am aware of the fact that some members of Parliament as well as many Canadians have a feeling of frustration for not doing anything under the circumstances. They realize something is threatening their country and they wish to protect it. They want to participate,

help, do something and they are wondering: What can I do to help preserve my country's unity? Let me know and I shall do it. This is how their frustrations, their uncertainty and possibly their concerns are expressed.

Because I understand these feelings and hope to mitigate them, I shall not deal too much today with our purposes, since we basically agree on those. Instead, I shall insist on the progress achieved by Canadians and on the new measures the government is implementing so that Canadians may commit themselves even more to national unity.

● (1520)

[*English*]

Before looking down the roads immediately ahead, Mr. Speaker, let us briefly assess those roads which Canadians and all their governments have taken—and not taken—in the seven months past. Since November 15, Canadians have been confronted with the most dramatic choice they have had to make in their history as a nation. And in these seven months, we've come a long way toward that choice. We've made news in Canada—and much of it, Mr. Speaker, has been good news.

Good news, as those sitting in the press gallery know, is very often what doesn't happen. Like the good news that Canadians did not panic; that their governments did not become paralyzed; that the country did not, as it might have, become caught in an upward spiral of racial or regional hostility. That has been very good news indeed.

But perhaps the best news of all, is what did happen. Slowly, with understandable hesitation, millions of Canadians have come to accept the choices which we now face as an unparalleled—and perhaps even overdue—opportunity: to shape for ourselves, with our own hands, a Canada that is more truly ours, more truly itself.

My paramount goal in these past six months has been to help Canadians to define the decisions they now must make. I have told Quebeckers that finally they will actually have to choose whether they want to remain, or not to remain, Canadians as well as Quebeckers. And the fact this choice finally must be made, and not perpetually talked about only, is a good thing for Quebeckers. And for the whole country.

But non-Quebeckers will strongly influence the decision that Quebec has to make. That is why I have been telling non-Quebeckers that they themselves face a fundamental choice as well. Fundamental—though unfortunately not as simple as marking a ballot "yes" or "no". The choice is this: Do you, or do you not, want to live in a Canada with a French-speaking community—now of six million people—who have spoken French for nearly four centuries; who will continue to speak French; and who will continue to live as a community? Because if you do, if English-speaking Canadians accept to have a Canada—with all its solitudes and heartbreaks and misunderstandings, and yes, with all its glorious human wealth, enough to stretch to a limitless future—if you want to have such a Canada, it will have to be a Canada based on genuine acceptance of a newly dynamic, competitive and self-assertive French-speaking community, centered on but not confined to Quebec.

To choose such a Canada does not mean that everyone will have to speak French. It does not even mean that everyone must love eating their corn flakes out of those famous bilingual cereal boxes. Quite frankly, it means something far more difficult than that. It means that English-speaking Canadians will have to open their hearts, to open their minds, in order to understand that French Canadians still do not feel treated as fully equal partners in their own country, or even in the province where they form a majority.

And it means that if the Francophones are to remain part of this country as first-class citizens with a fair share of the power and a fair crack at the opportunity; but without having to give up their language and culture then this will require certain accommodations by the English-speaking majority, accommodations like sharing more power with French Canadians in business, professions and private organizations; like greater willingness on the part of provincial governments, and local communities and school boards to provide for French-speaking minorities.

And greater acceptance for language equality in federal institutions. So French as well as English-speaking Canadians can say: "This is our government. It speaks our language. And all of Canada is our country. We can grow here."

So it has been my first priority since November 15 to tell these things to Canadians, because these are among the crucial choices they now face. Another priority as a Government since November 15 has been to make continued progress on two essential fronts. The first, as I have just indicated, is our official languages policy.

[*Translation*]

Thanks to the support of all parties in this House and the cooperation of federal civil servants, for some years the government of Canada has been increasingly capable of providing services to its citizens in their own language and to enable more French Canadians to work in the federal public service. The proportion of Francophone civil servants has now reached 26.9 per cent, that is about the same percentage as the French-speaking population of Canada. In the administrative category, the French-speaking proportion has risen from 13.4 per cent in 1971 to 19.7 per cent now. Similar progress has also taken place in the armed forces, and the French presence has increased throughout the country, thanks to the radio and TV networks.

This evolution took place without any prejudice to the rights of English Canadians to speak and hear English spoken, to prosper and find success in life in their language. Conversely, the recognition of the two official languages in no way meant the setting up of two official cultures, one English the other French.

The men and women who built Canada belonged to different cultures, and we want to preserve this diversity. Our policy aims at promoting a strongly multicultural Canada, a Canada where everybody is a first class citizen. Why then have English

and French as the official languages? Because almost all Canadians, whatever their cultural backgrounds, speak either one of these two languages; and because nearly one Canadian out of five, approximately 18 per cent, Mr. Speaker, speaks only French.

In view of the progress accomplished in federal institutions the government thinks that from now on it is not only possible but desirable to enter into a new phase of our linguistic policy, a stage in which the emphasis will be less and less on crash language courses for civil servants and increasingly on the teaching of the two official languages to the children in schools—

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, of course the implementation of the language policy has given rise to certain mistakes and certain problems, but the government wants to correct the situation. The government has just tabled a working paper on the official languages. This paper shows clearly that the equality between the two official languages of Canada is not the responsibility of the public service alone, or even of the federal government alone. Moreover, the language issue is not restricted to Quebec and a few square miles more on this side of the Ottawa River. The language issue, as I believe that an increasing number of Canadians have come to realize in the last few years, is national in scope. Since the election of a separatist government in Quebec, it has become more obvious that the manner in which we will solve the language problem will have far-reaching consequences for all Canadians and the future of our children.

Our paper shows clearly that the provinces will have an important role to play in solving language problems, because under our federal system, they have many responsibilities in this area, especially as concerns education. But, in the long run, it will be the Canadian citizen and his attitude towards the linguistic equality of his fellow citizens that will be the decisive factor.

● (1530)

[*English*]

Today I wish only to call the House's attention to what the policy paper says about one subject, about Canada's official language minorities, that is, the one million or so French-speaking Canadians living in the nine provinces with Anglophone majorities and the somewhat smaller number of English-speaking Canadians living in Quebec.

Why do I single out our official language minorities today? Quite simply, Mr. Speaker, because there are two roads to separation in this country—two dangers we must avoid if we want to preserve the unity of Canada. The first danger would result if a clear majority of Quebeckers were to become so dissatisfied with their present lot and future prospects as Canadians that they freely voted by a clear majority to separate. But, there is a second way which is perhaps more dangerous and certainly more insidious, that separation could occur over a longer period of time perhaps, but with equal finality. That is the separation by attrition which would eventually result if we were to drift progressively into a Canada composed of two linguistically distinct territories: a Quebec, speaking only French; and the rest of Canada, speaking only English. To some that might superficially seem a functional, friction-free solution to our language problems, but it would not be a solution at all. It would weaken Canada; it would give us less and less in common; it would one day break us apart. A Canada of two language ghettos existing side by side is not acceptable to this government nor, I believe, to this House.

The federal government believes that the 1971 Victoria Charter proposals for language guarantees in provincial legislatures, provincial courts and provincial government head offices would provide a good departure point for building a sound constitutional base for minority rights. The federal government is also ready to discuss with the provinces ways in which it can assist them to provide more education in the minority official language. We are willing to consider ways and means, up to and including new constitutional provisions, to enable the federal government to assume direct constitutional responsibility for education of official language minority groups.

To be sure, I agree wholeheartedly with the proposition that the level of rights the nine other provinces accord their linguistic minorities should more closely resemble the level of rights Quebec has traditionally accorded its official language minority. But, I say this should be accomplished by building up French in the other provinces and not by knocking down English in Quebec.

Mr. Speaker, I cannot emphasize strongly enough that the question of unity is not confined to the issue of language, nor confined geographically to the province of Quebec. I said earlier that more linguistic equality for French-speaking Canadians will require certain accommodations by English-speaking Canadians. But, why should English-speaking Canadians make such accommodations? Frankly, they will do so only if they feel that confederation is worth it to them and only if they feel that they too are benefitting from the federal system and that is it meeting their aspirations.

In the case of most English-speaking Canadians, this feeling has less to do with language programs than with how successfully we fight inflation and high unemployment; with the quality of our social programs, with transportation and resource development and with many other policies. The Altantic region must feel we are making progress in overcoming stubborn regional economic disparities; that we are helping to develop to the fullest offshore resources; and assisting to control the inequities of high energy costs. The westerner must have, and feel he has, a greater voice in national decision-making and a greater role in national power-sharing; must feel that our transportation system will take better account of the need for an equitable freight rate structure and efficient movement of agricultural commodities; and that our international trade negotiators are making every reasonable effort to favor more processed exports. For that matter, the Quebecker will judge his federal government not only by whether it speaks two

languages, but also by how well it meets his other concerns as a worker, a farmer or a businessman.

[*Translation*]

Therefore, the second front on which it is imperative to act is to ensure that the federal system better meets the needs of the average Canadian, whether he lives in Quebec or any other part of this country. The unity of this country will be improved when every Canadian, no matter where he lives or what his language is, will be able to say: "Those people in parliament are working for me, they are looking after my problems. They are preparing a better future for my children here in Canada in this united country that is mine."

And that is why, Mr. Speaker, I believe that the best service a member of parliament can do his country is to ensure that his constituents realize that that hon. member is truly vital to their development, their fulfillment, so that the citizens in every part of this country will be able to recognize through their federal member of parliament that they are effectively being run by the government of Canada, that their government is not only the provincial government which is a provincial level government but that their government is first and above all the government of Canada, the government of this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, may I be permitted quite modestly to congratulate the members of this House who for the most part play this role with great courage in a vast country and who because of their very heavy program in Ottawa cannot be in every area and every constituency as much as they would want to.

● (1540)

[*English*]

I might add, Mr. Speaker, that over the months I have written to the provincial premiers to seek from them an understanding whereby the taxpayers of Canada would be in a position to know which government was spending their money. Thus they could democratically decide whether the spending was well or not well done. To this effect, I am seeking agreements between the federal government and every provincial government in order to give sufficient knowledge to the citizen, through publicity and other means, so that he would know where the money is coming from, either from the federal government or elsewhere.

Some hon. Members: Hear, hear!

Mr. Trudeau: We have already signed such an agreement with the province of Manitoba; and I hope that other provincial governments who are anxious to work and build for the unity of Canada will also be anxious to make sure that in this way the federal presence, the reality of the federal parliament, be made known in every part of Canada.

[*Translation*]

Mr. Speaker, I just pointed out how important it is for the unity of this country to look properly after the business of this country. But it does not mean that I am for the status quo—far from it. As I stated unequivocally on several occasions, the government of Canada is committed to considering together with the people of Canada the possibility of bringing in basic in-depth changes to its directions, to federal institutions and to the constitution. It is to this matter of utmost importance that I now come.

We Canadians have reached our maturity as North American people. We do not alter our institutions or our constitution under the whim of the moment, as the Parisian designer who is eager to launch his new spring collection. We must get used to the idea that we have launched into a venture which will not end in a few weeks or months. The main reason is that no change, no redistribution of powers between the federal government and the provinces, nor any other step could reinforce national unity, unless those changes really derive from understanding and brotherhood.

This is why, though specific proposals for institutional changes will be effective at a given moment, my first concern since November 15 has been to help Canadians reconsider their behaviour, analyze their feelings and face the decisions and the direction that will soon have to be taken with openness and generosity but also with deeply felt honesty. Indeed I have been able to see that it is exactly what some Canadians have already begun to do.

[*English*]

Since November 15 millions of Canadians, English and French speaking, easterners and westerners, people from southern Canada and from northern Canada, have not only been awakening to the realities of Canada; what is even better, they have embraced the present situation not as a defeat for Canada but as a great challenge, a great opportunity for building a better Canada, not only for Quebeckers but for all of us.

To those who are impatient, I say this is a great deal of progress for the country to have made in seven months. To those who are uncertain or worried, I would report that I have heard more constructive, stimulating thinking about Canada by ordinary Canadians in these past seven months than in all the rest of my life. So in a sense, Mr. Speaker, we are coming at last face to face with our national summons, the task of nation building and nation saving.

Because Canadians are accepting this challenge, I believe that we can now begin to enter a new phase of discussion, of choice, a new phase in the examination of fundamental change in our Canadian system of federalism. This fact was underlined by our recent appointment of the former deputy minister of justice as the government's special constitutional adviser. We have already begun a far-reaching review of our federal system and constitution. We will, of course, also pay close attention to the views of the provincial premiers. As my letter to them last January said, we are quite willing to discuss with the premiers the whole gamut of Canada's constitutional arrangements. We are willing to discuss, in other words, the most profound reforms and fundamental changes in any and all aspects of our federal system from A to Z.

In fact, there is only one set of formulae which we are not willing to discuss—those which commence from the premise that Canada is or could be anything other than a unified country.

Some hon. Members: Hear, hear!

Mr. Trudeau: During the crucial months ahead we will need wide input, wide involvement, by the people of Canada. The debate on fundamental change must not be confined to closed rooms, or to privileged elites, whether of politicians or bureaucrats, or of academics or intellectuals, though all these people have much to contribute. The government wishes to enable individual Canadians and their non-governmental organizations to play a more informed role in the national re-examination of the federal system, as well as to participate more effectively in other activities favouring the enhancement of Canadian unity.

[*Translation*]

In the last few months, and I am very proud to say so, the groups and individuals who have expressed their wish to do their part are so numerous that it is difficult to count them, let alone meet them. To be efficient, these private organizations sometimes need information and support services; they should also, if necessary, have the benefit of advice. On the other hand, the great majority of Canadians express their views and are being influenced by others by way of a wider and more diffuse forum than by the established structures, namely public opinion. That is why the government believes it is necessary to offer people a new way to participate, through groups of men and women who would focus attention on new ideas and different points of view while listening very carefully to what the public has to say. Thus, all Canadians, and not only a small number, would be better informed and in a position to play a more decisive role.

[*English*]

I have decided to entrust this work to a new national task force on Canadian unity, which will serve for an initial period of one year. The mandate of the task force will be to support, encourage and publicize the efforts of the general public, and particularly of non-governmental organizations, to enhance Canadian unity; to contribute to the knowledge and general awareness of the public its own initiatives and views concerning Canadian unity; and to help to develop processes for strengthening Canadian unity and provide a source of advice to the government on unity issues.

I am delighted to announce that the Hon. Jean-Luc Pepin, whom the House will presently recognize sitting in Your Honour's gallery—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and the Hon. John Robarts—

Some hon. Members: Hear, hear!

• (1550)

Mr. Trudeau: —have agreed to serve as co-chairmen of the task force on Canadian unity. Mr. Pepin and Mr. Robarts have already given so much to their country. Both of them have just completed important public tasks, Mr. Pepin at the Anti-Inflation Board, Mr. Robarts in his study of metro government in Toronto. The fact that they have agreed to head the task force on Canadian unity so soon afterwards is a testimony to their dedication to public affairs and to their country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am glad to see that the whole House joins me in paying tribute to their dedication. I am also delighted that four other distinguished Canadians will serve as regional members of the task force—Mr. Richard Cashin of St. John's, Newfoundland—

Some hon. Members: Hear, hear!

Mr. Trudeau: —Dr. John Evans of Toronto—

Some hon. Members: Hear, hear!

Mr. Trudeau: —Mrs. Muriel Kovitz of Calgary—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and Mayor Ross Marks of Hundred Mile House, B.C.

Some hon. Members: Hear, hear!

Mr. Trudeau: I want to add that a fifth regional member, a French speaking Quebecker, will be added to this list very soon.

An hon. Member: Will it be René?

Mr. Trudeau: I will be happy to have any suggestions made the the leader of the NDP, but he would have to be quick because we expect to name this person very soon.

Mr. Speaker, I appreciate the privilege of opening this debate. I should add that I will have to leave tomorrow before it is concluded to meet Chancellor Schmidt of Germany who is arriving in Canada through Vancouver. I apologize to hon. members for not being here to hear every one of them speak in this debate—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but members will understand that the debate was postponed from last week to this week for the convenience of some members of the House.

Mr. Alexander: You can always read *Hansard*.

Mr. Trudeau: I will read *Hansard*, as the hon. member for Hamilton West (Mr. Alexander) knows I do with passion and regularity.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is a debate in which we above all wish to hear the ideas, and perhaps the visions, which inspire private members of the House on both sides. For this reason—and also because of my own views about Canada's unity are familiar to the House—I thought it would be appropriate if instead of "orating" I gave the House a report on the priorities which the government has followed since November 15, as well as the new means it is providing to enhance the national debate Canadians will carry on in the months ahead.

But let us make no mistake about it, Mr. Speaker. In this House and in every province in this country we are fighting to preserve a great and precious country. The most effective weapon we have is understanding. Debates, task forces, language programs, constitutional proposals—all these will be to little avail unless we have the ability to summon understanding and generosity towards each other's aspirations, as individuals, as members of cultural and regional communities—and as Canadians.

That is the message I have sought to carry these past six months. That is the message which hon. members must carry this summer at every opportunity and to every part of the country, to all our constituencies, to the service clubs, to church halls and legion halls, to the farms, factories and street corners, the message that Canada will not be fractured, the message that we will preserve the unity of this nation.

Some hon. Members: Hear, hear!

Mr. Trudeau: I know that the task for Canada will not be easy, but was it easy for the Canadians who settled a sometimes harsh land? Was it easy for the Fathers of Confederation or for the early explorers who penetrated to all corners of this unknown continent? No, the task of creating and recreating Canada has never been easy. But now the task is ours, and the task shall be accomplished.

After all, the odds were much greater against those earlier Canadians who built from scrach this unexpected and even unlikely nation, a nation which, politically, socially and economically, is now one of the freest and most advanced in the world.

Some hon. Members: Hear, hear!

Mr. Trudeau: Where they built with their hands and their heads, conquering nature, devising vast transportation systems, we must now build with our hearts. We must now decide how we want to live together and better govern ourselves so that our children may live in a Canada which is truly united and truly itself.

Some hon. Members: Hear, hear!

[Mr. Alexander.]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to say first of all to the Prime Minister (Mr. Trudeau), in light of his very glowing references to the role and the importance of individual members of parliament and the job we have to do that, if I might presume to speak on behalf of the other refurbished "nobodies" in the House of Commons, we appreciate his new recognition of our status and our role—

Some hon. Members: Hear, hear!

An hon. Member: We're somebodies now.

Mr. Clark: —and we intend to give him and his colleagues an opportunity to put their faith in parliament to work a little later.

Some hon. Members: Hear, hear!

Mr. Clark: Naturally, I welcome this debate which my colleagues and I have sought for a long time. The Prime Minister spoke about good news and bad news, and clearly one of the pieces of bad news is that this debate in the only forum which can serve to unite this country has been so long in coming.

Some hon. Members: Hear, hear!

Mr. Clark: I am pleased that we have been able to get a little more time. But still the debate is too brief, the resolution is too limited and the scheduling of this debate, on a summer day after we were supposed to have risen, is far too late in terms of the importance of the subject which we are discussing today. I want to say to the Prime Minister that this should have been the first place to which he came to discuss national unity, not somewhere else. I suggest to him that more Canadians would read *Hansard* with "passion" if there was an opportunity for this House to become engaged, at a critical time, in debates of urgent importance to the country and not be cast off as a group of nobodies.

● (1600)

This parliament must play a continuing, creative role in helping work out the problems which face the country. I shall be proposing an amendment at the end of my remarks to allow parliament to play precisely that role in advancing and maintaining the unity of the country.

The Prime Minister's speech was too limited by his preoccupation with language policy as a means to resolve the basic problems facing this country. I heard the Prime Minister speak about the importance of other issues, as I have heard him speak before and as I have seen in his recent writings. But the fact remains that language policy has been the preoccupation of this Prime Minister and of this government too exclusively. This has created some of the serious problems which exist in this country, because we have failed to assign the same priority to questions such as regional disparity and western alienation as we have assigned to the Prime Minister's particular approach to language policy.

Most serious of all is the fact that this debate comes too late and this sign of some action by the Prime Minister comes too late. The election, in the province of Quebec, of a Parti Québécois government was nearly eight months ago, and today is the first time the government has brought this question to the House of Commons. As the Prime Minister said, he has taken other actions. He has established a secretariat. There have been some television spectaculars. On the lawns of Parliament Hill the other day there was a $3.5 million birthday party.

Mr. MacFarlane: I thought it was great, and so did everybody else.

Mr. Clark: The question is not whether the whip of the government party had fun; the question is whether that event helped to unify Canadians and whether it will have any lasting effect. By way of action there has also been a statement by the government on language rights, a statement which, depending on whom we listen to and when we hear him, might be federal policy or might not be federal policy. The statement was one upon which, in any event, only the provinces can act. Only the provinces can implement some of the measures suggested in that statement.

My colleagues and I applauded the Prime Minister when he said that the better way to deal with the question of minority language rights in the country is to build up the rights of French-speaking Canadians in other parts of Canada, rather than break down the rights of English-speaking Canadians in the province of Quebec. We agree with that, but we think it probably would have been of more comfort to those Canadians who are most acutely concerned now about their status—the English language minority in the province of Quebec—if the Prime Minister had given at least the minimum guarantee that I have given and that others have given, that if there is a violation by any legislation in the province of Quebec of the constitutional rights of the English language minority, that question will go to the courts of the land.

Some hon. Members: Hear, hear!

Mr. Clark: Now we have a blue-ribbon inquiry—a task force. I want to take this opportunity publicly and early not simply to express my appreciation to the distinguished Canadians who have agreed to serve on this task force, but also to wish them well in the efforts they are undertaking. What concerns me is not the personnel of this task force, but the idea that a new means was necessary when a traditional means exists and is underused, to wit, the parliament of Canada. The Canadians appointed to this task force are distinguished. They have had excellent careers in the public service at various levels in Canada, but with the exception of the mayor of Hundred Mile House none of them is an elected person. They are given a mandate to report, not to this parliament but only to the government of Canada, which can hide, doctor or do nothing at all with the recommendations they bring in.

Some hon. Members: Shame.

Mr. Clark: The terms of reference which have been accorded them are terms of reference which we will want to examine in some detail to ensure that this task force is allowed the largest amplitude to study all of the questions which pertain to national unity, and not simply those questions which the Prime Minister, during his career in this House and before, has felt have been at the centre of national unity.

During the past eight months of relative inactivity by the Prime Minister of Canada, it is important to note that the premier of Quebec, Mr. René Lévesque, has not been at all so reticent. Nor, in all modesty, have I or have the leaders of other parties in the House of Commons been reticent in terms of putting forward some of the specific changes we think must be contemplated in developing a new and viable federalism. However, we are only opposition parties. We are only members of an unconsulted parliament. We have the opportunity to propose, but we do not have the opportunity to act. Only governments have the power to act, and some governments have acted. The government of the province of New Brunswick, three days ago, proclaimed the last sections of an official languages act for that province.

The government of the province of Ontario, with the cooperation of all the parties in the provincial legislature, has accepted its moral obligation to the French-speaking citizens of Essex county and it has begun, in an effective way, a public discussion of some of the problems we are facing. The province of Quebec has certainly been acting. It has been acting with Bill No. 1 which is not the subject of hearings and is going before a committee. The government of Quebec has been acting with Bill No. 2 which will affect the conduct of the referendum when it comes. Most importantly, it has been acting with a relentless campaign of propaganda designed to shift the burden of proof to the federalists from the separatists, where the burden of proof belongs in this case.

Putting aside all the television spectaculars, the fact remains that in the months since the November 15 election the Prime Minister of Canada has failed to exercise the leadership that is his.

Some hon. Members: Oh, oh!

An hon. Member: That is what the polls show, is it?

Mr. Clark: He has failed to call upon parliament to help him, although we want to help him and although we can.

Mr. Pelletier: You don't want to help him.

Mr. Clark: I assume that the hon. member for Sherbrooke (Mr. Pelletier) has enough influence in his caucus to be able to get on the speakers' list for this debate, and I look forward to hearing him. The Prime Minister has failed to call upon the premiers of the provinces of Canada to help him, although they want to help him and although they could help him in this present crisis.

An hon. Member: He needs help.

● (1610)

Mr. Clark: I make it clear to the House that had that responsibility been mine and had I been prime minister of Canada during those days, one of my first acts would have been to seek the advice of parliament and then call together the premiers of Canada, the partners in this federal system of ours. If the premier of Quebec had not come to the first meeting, I am sure that after we made progress in that first meeting he would either have come to the subsequent meetings or suffered the consequences of abstention—the consequences that would be visited upon him by the electorate in the province of Quebec.

The sad fact is that the Prime Minister of Canada has not taken initiatives on behalf of Canada in this debate. Instead, he made one speech in Quebec City proposing to start from scratch; then under questioning he refused to say exactly what "scratch" was. Later, in March of this year, he said to the government of Quebec:

[*Translation*]

"Your turn, gentlemen!"

[*English*]

He invited the separatist government to take the initiative in redefining confederation. Mr. Speaker, they are doing that with a vengeance. They are doing that whilst this government sets up task forces. I can think of nothing more absurd than to ask a government that wants to divide this country to set the ground rules for uniting this country. If the Prime Minister had called in the premiers, or if he had consulted parliament, he would know that the problems of Canada are much broader than language, much broader than discontent in the province of Quebec. Any comprehensive program to create a sense of community in this country must look to other real problems as well.

First, we have to look to the problems of the economy because we are living now in an economy and a country that is operating very far below its potential. As well as creating unemployment, including unemployment in the constituency of the loud-voiced member from New Brunswick opposite—

Some hon. Members: Hear, hear!

Mr. Clark: As well as creating unemployment, this economic slowdown has created serious discontent amongst people in Canada, some of whom voted against the federal system on November 15. There is no question at all that a weak economy stimulates division, and there is no question, by contrast, that a strong economy can let us build together toward common goals. If we are seriously concerned about uniting this country, that fact has to be a priority of any government of Canada.

The second fact is that there are serious regional disparities in this country which remain unresolved after a decade of government by the party opposite. In Atlantic Canada, despite the existence of DREE, the economy continues to lag because Atlantic development has been given none of the priority that language development has been given in this country. The Department of Regional Economic Expansion is now a second-fiddle ministry overruled by stronger departments.

The best recent example of this is the shocking announcement made by the Minister of Supply and Services (Mr. Goyer) that in 1976-77 the two major categories of government purchasing by the government of Canada—the purchasing for science and engineering and the purchasing for commercial supply—saw a marked decrease. In the case of commercial supply, purchases made from Atlantic Canada were cut in half. On the one hand, this government, dedicated through a department to regional economic expansion, was working through a stronger department to take away the economic means which would make that expansion possible.

In Western Canada there is a sense of grievance which grows over the fact that so little priority has been given to changes in freight rates, tariff policy and industrial development which could let that region realize its potential. The Prime Minister talks about those things now, as he talked about them when he was in trouble in the election period and at the WEOC conference. It has all been talk, however. The priority has not been given to the development of western Canada that has been given by this government to pushing their own particular language policy.

The point I want to make is that these grievances, these problems, are as real and as much a potential source of disunity as are the concerns in Quebec about the security of the Quebecois culture. Regrettably, through nearly a decade in office this government has virtually ignored these other priorities and has created in most of the country a sense that the government will not respond to their real problems.

The motion before the House reads as follows:

> That members of this House dedicate themselves anew to the continuing unity of Canada as a free and independent country organized on the basis of a federal form of government with two official languages and a diversity of cultures.

This is the third time in eight years that the present government has asked parliament to reaffirm the linguistic and cultural diversity that is a fact of life in our country. I have no objection to that in itself. But a statement about languages and cultures, or a statement about "a federal form of government" is completely inadequate to define what Canada is and what Canada means to our people. Implicit in the resolution and in the basic approach of this government for the past nine years is the concept that language and language policy will unify Canadians. In that respect the Prime Minister could not be more wrong.

In recent weeks we have had a spate of television advertisements celebrating our sense of Expo, our sense of centennial. We can all remember that atmosphere. There was a spontaneous enthusiasm about our future which was far removed from the forced gaiety which marked our approach to our one hundred and tenth birthday. We have fallen a long way back since 1967. We are, as a nation, much less united now than when this government came to office on a promise of unity. If we are serious about bringing the country together and establishing real harmony which lasts longer than a birthday party,

we must examine exactly what went wrong. To use the Prime Minister's words, we must "open our minds".

Some hon. Members: Oh, oh!

Mr. Clark: Perhaps there are members on the other side who can open their minds and their mouths at the same time, Mr. Speaker, but I would feel more confident that my message was getting through if they would allow me to express it. My message, and I say this in utmost seriousness, is this: We must be prepared to examine and change policies and approaches which have not worked, even if that means changing attitudes which some, including the Prime Minister, have come to regard as articles of faith.

● (1620)

I want to deal for a moment with the question of the official languages policy of the country. It behooves all of us who want an effective policy which will contribute to the unity of the country to be frank and honest about what we face. Of course, it has never been in question that we must have institutional bilingualism as a matter of justice and fairness in Canada.

Some hon. Members: Oh, oh!

Mr. Clark: Sir, I would appreciate the opportunity of being heard by some of my colleagues opposite. Perhaps those in the Liberal caucus who are not accustomed to hearing conflicting views might show us the courtesy of listening to them.

An hon. Member: Is there no conflict on your side?

Mr. Clark: Mr. Speaker, bilingualism, or having two languages, by definition does not unite. It divides. It is a necessary goal, but it is not the glue: bilingualism is not the glue which will hold this country together.

An hon. Member: Crazy glue.

Mr. Clark: I say to my colleagues in the House of Commons, we must accept that fact realistically. We must recognize the importance of that policy, but we must look beyond the differences of language and culture for the values and goals which will draw us together as Canadians. We must seek to build Canadian unity, not on the basis of bilingualism or of language differences but despite bilingualism, which is an important, continuing part of the policy of this land.

Sir, let us examine this question calmly and carefully. Making our federal institutions bilingual is clearly, as anyone can see who would look, a source of serious problems in the country. The implementation of the program has in some ways been a disaster, including a disaster to good will. It has been dangerous and difficult, particularly in its effect on morale in the public service. Equally serious—and I underline this to Canadians in the House of Commons who may not have had the experience and opportunity I have had to travel extensively in provinces other than Quebec—is the fact that the many English Canadians whose inclination had been to accept this policy are now becoming disillusioned and resentful about it. The reason is that so little progress has been made in the teaching of French as a second language and so little sensitivity shown in the development of the official languages policy in this country.

I come to the question of schools. Children go through their provincial school systems without acquiring a working knowledge of French. Their parents know this is going to be a handicap to them. French is becoming not just an asset but a necessity for those seeking opportunity to progress fully in the federal public service. At the moment, that fact, unfortunately, is seen in two-thirds of the country not as an opportunity, but as a barrier to opportunity. For the Prime Minister to go to Saskatchewan, or anywhere else in Canada, and tell his audience they do not have to worry about learning to speak French does not, in that context, accord with reality as those parents see it or as seen through the eyes of parents looking to the future of their children.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Government hypocrisy.

Some hon. Members: Oh, oh!

Mr. Clark: I understand, sir, that there are some members on the other side of the House who would sooner not hear this truth. But it is important that the House of Commons should be a place where truth can be spoken, no matter how unpopular it may be.

Some hon. Members: Hear, hear!

Mr. Clark: I say the Prime Minister and government should not underestimate the resentment which exists in the country on that account. The policy of institutional bilingualism, essential as it is, will collapse unless the federal government provides the help, financial and otherwise, which will enable the provinces to produce bilingual people for bilingual federal institutions. The programs so far introduced by the federal government are hopelessly inadequate, given the size of the task. If the government does not act soon to make up for lost time, offer to the provinces encouragement, opportunity to parents who want to support the program and only ask that their children should be equipped to take part in it, the divisions in this country which the language policy has created will become too deep to heal.

We must also face the fact that increased use of French outside Quebec is, in itself, no answer to the problem in Quebec. Teaching French as a second language to English-speaking children is enriching for them and irrelevant to most Quebeckers. Providing education in their own language to French-speaking minorities is beyond the power of the federal government, as everybody in Quebec and elsewhere in Canada knows. At the moment, and for the foreseeable future, that problem is beyond solution by way of constitutional reform. The right of French Canadians to education in their own language may have existed once, but it was taken away by provincial legislation. It exists now in New Brunswick and there have been some changes in Ontario and Manitoba in

recent years. But to speak of the right to French-language education outside Quebec as if it now exists is, for the most part, misleading.

[*Translation*]

Quebeckers perceive this aspect of Canadian reality under its true light and it would be very vain to try to convince them that it is otherwise. If they have doubts about the future of their language and their culture within the boundaries of their province, they do know that their National Assembly, which represents a population more than 80 per cent French-speaking, will always be much more conscious and more capable to act to preserve the French language and culture than any other legislature, including the Parliament of Canada. To admit it is to acknowledge the evidence.

For some years the federal government has made a mistake trying to compete on that level with the Quebec government. Ottawa should have recognized that the Quebec government is the most able to preserve and promote the French language within the limits of that province. It is not without reason that our constitution has given to the provinces, with special reference to Quebec, all the powers which were available and which were then considered necessary, so that they could assume their responsibilities over all cultural questions. However, as new communications and cultural means developed, Ottawa has always refused to adjust, therefore to conclude arrangements within the spirit of the constitution. In fact, Ottawa has appropriated all powers and it has constantly undermined the undeniable rights of provinces in cultural areas. This trend will have to be changed and the sooner the better.

[*English*]

Sir, I ask the House of Commons, is it going to wreck the country if Saskatchewan gains some say in cablevision, or if Quebec does? Is it going to wreck the country if Alberta gets into pay television, or if the governments of the provinces are able to run non-commercial television free of the regulatory shackles the federal government has put on them? Of course it is not. Yet this is what we are led to believe by the federal government and all its creatures. The central government should rid itself of the idea that it should enjoy exclusive authority over culture in any respect. The federal government must be prepared to share jurisdiction in those areas.

● (1630)

To say, as the Prime Minister does, that they should cut both ways, that the provinces should share their jurisdiction with Ottawa, is hardly relevant since Ottawa has already bought its way into every field imaginable. There is hardly a field where the provinces enjoy apparently exclusive jurisdiction which the federal government has not bought into at some time over the past few years. If we are going to have a truth in labelling provision in terms of federal expenditures, as the Prime Minister was talking about, it might be useful for that label to include a designation of those programs which the provinces were forced to accept by Ottawa at disruption of their own priorities.

If November 15 had never happened, I would be arguing here for a more regionally-based federalism. I advocated such an approach to our country's problems well before my election as leader of this party. The country is too big to be run entirely out of Ottawa. That is why we have a federal system, to combine a strong centre with strong parts. Precisely because they are closer to people, provincial governments are better able to respond to needs that differ in different parts of Canada. We could go through a long list indicating the truth of that statement.

What is at issue here is not just the future of one province, but the concept of our whole, large country. Of course we need a strong central government to establish economic policy and to meet other common needs. But we also need strong provincial governments, strong local governments and a strong private sector to meet needs and develop potentials that are not common across Canada. We are an uncommon country. We differ from place to place, from person to person.

The danger with national institutions is that they can become so centralized, so standardized, that they ignore or diminish the differences which give life to this country. We see that in the CBC which periodically must be wrenched back to the regional realities of Canada. We see it in the determination, until recently, to pretend that unemployment is the same problem in Alberta as it is in Newfoundland. We see it in too many other ways. What we must do is develop a situation in which it is possible for strong provincial governments to do what they do best, and possible for a strong federal government to do what it must do. It should be in that spirit that we approach the problem of redefining our constitution.

Some hon. Members: Hear, hear!

Mr. Clark: My time is running out.

Some hon. Members: Carry on.

Mr. Clark: Since there is a limitation in this debate, I do not want to intrude upon the time of private members of parliament by speaking at any greater length. I want to make the point that we have a possibility within this country. It has been demonstrated by the premiers of several of the provinces by their disposition and by their approach to federal-provincial affairs. We have the capacity in this country to achieve a number of changes by administrative arrangement now, without having to wait for constitutional change. That could be done tomorrow if there were an accord on the part of the Prime Minister of Canada and the premiers of the provinces to do so.

I make the point that while none of us would accept the idea of a constitutional special status, it has been the long-established principle of this country that it is possible for different provinces to have different administrative arrangements with the government of Canada. That is a field we should be examining much more carefully as we look for ways to make our federal system serve the needs of this country right now. That is essential, not simply to make the system work but to make it seem to work to those Canadians who now have some

doubts. We federalists have to cause Quebeckers to understand that their choice, as they go to referendum, is not between their perception of the status quo and the Péquiste formula. We have to make it clear that the choice is between what we, as supporters of confederation, advocate in Canada, and the changes that the Péquistes advocate which would take Quebec out of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: As an excuse for not offering positive proposals for change, the Prime Minister has been saying over and over again that no proposal for evolution within confederation is going to change Mr. René Lévesque's mind. Of course not. We are not trying to change Mr. Lévesque's mind. We are, surely, trying to persuade the people of Quebec that the arrangements and relationships within confederation can evolve to meet the cultural and regional needs of all the partners. The only convincing way to do that is for this government to enlist parliament and the provinces in developing that approach. In Quebec, especially, the approach must be seen as representing the views not only of the federal government but of all the other provinces. Beyond the present constitution, beyond the Quebec referendum, lies the need to commit ourselves and address ourselves again to the task of constitutional change. As I have said, there are other changes that we can make without having to contemplate constitutional change. Constitutional change is only part of the answer, as institutional bilingualism is only part of the answer. Both are necessary to demonstrate to unhappy federalists everywhere that this system is capable of change, that there is a choice between separatism and the status quo.

We must recognize that it will not be laws that bring us together. As we have seen, unhappily, with the insensitive application of the Official Languages Act and the strange rigidity of the government on constitutional change, laws and legal questions can often drive people apart. What we had in 1967, what we had in 1867, was a determination to build together that did not rely on laws. We all came into this confederation because it served our interests. There is no question in my mind that we are all better off as citizens of a large land, full of potential; no question that it is in the interest of Quebeckers to share in the development of the Athabasca oil sands, and in the interest of Albertans to share in the growth generated at James Bay. We have here a potential to grow that is unparallelled in the world and which is best realized if we grow together.

Despite our efforts to define identity or to guarantee language rights, the real source of harmony in this country has been our ability to build it together. That potential is still here today, but we are not building toward it: we are drawing back and drawing apart. To use the langauge of the resolution, we need to dedicate ourselves anew to the concept of building together in this country. That means we must give as much priority in the next decade to economic and regional growth as we gave to language in the decade behind us.

In the meantime, we have healing work to do. We must reform programs that have not worked. We must help Canadians from one region to learn more about their neighbours. We must restore respect for our common institutions. Commissions, birthday parties, and television speeches all have their role in that process, but the central role belongs to the only agency which represents all the people of Canada. Therefore, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

> That the motion be amended by adding the following words at the end thereof;
>
> "and as a means of actively and constructively affirming this dedication urge the establishment of a special joint committee of the Senate and House of Commons on national unity to recommend such constitutional, economic and social measures as will allow the federal system to respond fully to the needs of all Canadians."

● (1640)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, a few years ago Canadians informed the government of Canada that the tax system was unequal and unfair. As a result, a royal commission was set up and certain recommendations were brought forward. Since then the tax system has become more unfair, more unequal. Some years later Canadians sent the government a message that the foreign ownership of our resources was causing trouble and that somehow or another we should be controlling our own economic destiny. Once again the government responded. It set up a royal commission on foreign ownership. The commission made recommendations and, once again, the government acted: it acted in such a way that Canadian industry is being gobbled up at an ever-increasing rate.

More recently, Mr. Speaker, the government learned that there is a serious problem of national unity. What did it do? It set up a task force on national unity. After eight months contemplating the results of the most dramatic provincial election in our history, the government put all its brains to work, all its political and emotional commitment to the future of our country, and produced the idea of setting up a task force. If the past performance of government task forces tells us anything about the future, we can expect greater disunity in the future, rather than a united Canada. I regret that this has been the response of the government to the country's most serious crisis this century.

When the right hon. gentleman became Prime Minister (Mr. Trudeau) in 1968, he took over the government of a country which had lived through a period of genuine excitement. What took place in 1967 or 1969 was not a spurious, Pepsi-Cola kind of enthusiasm. What we saw in 1967 at the centenary celebrations was interesting architecture, much of which had come from Canadian architects, interesting cinema, much of which had come from Canadian directors making films for the first time, and imaginative music much of which had been written by Canadian composers. Beyond all this there was a sense among our people that the country was finally progressing toward a greater degree of self-acceptance, of awareness and independence as a nation.

Since then, as has been pointed out many times, most recently by the Leader of the Official Opposition (Mr. Clark), we have experienced one of the most alarming periods of disunity in the history of the nation. The Prime Minister, in his lecture today, trotted out two potential causes of discontent. One was economic and the other was cultural. I agree with him that much of the discontent in Canada has its roots in cultural and economic considerations. But I call on the right hon. gentleman to acknowledge that he has been Prime Minister for nine years and that the programs and policies having to do with cultural growth and economic growth are policies for which his government has been responsible. Throughout his speech I looked in vain for the slightest hint that the government might have failed somewhere. I looked for the slightest touch of modesty, the slightest acknowledgment of the fact that when the Prime Minister was elected there was not a separatist in any legislature in Canada, whereas today separatists form the government of Quebec.

The Prime Minister talked about the future as though the past decade did not exist. Yet it did exist. It was a decade of unrealized expectation for Canadians—lost expectations which had been raised in 1967 on a very solid foundation in both the cultural and economic fields. I suggest that the two areas the Prime Minister singled out are the correct ones. But there has been failure on his part, both in terms of analysis and in terms of implementing policies, which have led us specifically to the dilemma which faces us now.

Let me deal, first, with the nationalist question which is what the cultural question is all about. The Prime Minister has trotted out his old, 1968 nostrum, the Official Languages Act. Once again he implied that somehow or other, if this measure could gain acceptance across the land, the Quebec problem would go away. The right hon. gentleman's logic distresses me. I would have thought that a man with Jesuit training would have understood things more clearly. Throughout the period since 1967 he has been trying to apply the principle of the Official Languages Act and to gain acceptance for it across Canada. And it is precisely in the same period that the forces of separatism have gained ground. So whatever else might be said in favour of the policy, it surely has not headed off the forces of separatism.

Cannot the Prime Minister draw a lesson from this? Surely it is a clue to him that if this country is to remain united, it will not do so on the basis of an official languages policy. That policy—and I repeat what has been said by my two predecessors as leaders of this party—was a good policy and we shall defend if. At any time the government makes dollar grants of a sensible character for language training in the civil service or, more effectively, for training our young people in the two languages at the school level, we shall support this policy. But I ask the Prime Minister to get over his illusion that the Official Languages Act is a motivating force in the achievement of national unity. It is not. I do not agree with the Prime Minister's conclusion that the national application of the principle of bilingualism will somehow bring about national unity.

• (1650)

Why do I say that? I say, through you, Mr. Speaker, to the Prime Minister that the cultural problem is not a national problem. The cultural problem about language is in the province of Quebec. The Quebeckers, the Quebecois, and the vast majority of that province who speak French are sympathetic and desire that French-speaking minorities elsewhere in Canada have the same rights as English minorities do in Quebec. My party and I agree with that. That has not been the central source of their discontent with our federal union, which is a crucial point. Since the early sixties what we have seen emerge in the province of Quebec is a positive, exciting form of nationalism, a nationalism in which the people of that province—ordinary workers, factory workers, office workers or functionaries in a bureaucracy—have decided at long last in their history to become the cultural masters of their own house.

The tragedy of our time is that we have had a Prime Minister—I say this seriously—who intellectually and honestly opposes nationalism. But I say equally seriously that he is dead wrong when he says that all forms of nationalism must be negative. Therefore, he has not been able to show the kind of leadership to the province of Quebec that this country requires, because he has always seen nationalism as being inward-looking, negative, regressive and withdrawing.

In terms of the history of the province of Quebec up to the sixties, during the formative intellectual years of the Prime Minister's own life, I would suggest that he was right. Earlier forms of nationalism in his own province were precisely that: that is what it was all about. They wanted to go back to an earlier form of society. If the new nationalism which emerged in the 1960s in the province of Quebec had been like that, then the Prime Minister's action would have been correct. But I suggest that his diagnosis is wrong. He is intellectually rigid in his understanding of nationalism, and therefore he was unprepared to say to the young Québécois, "I am with you". He could not say to Gilles Vigneault, to Monique Leyrac, or to a whole list of young French Canadian writers and singers, "You can be both a Québécois nationalist and a Canadian".

Some hon. Members: Hear, hear!

Mr. Broadbent: The rest of Canada must understand that this Quebecker does not understand the positive force which is to work in his own province. He had to say to young Quebeckers in particular, "You must make a choice. You must decide to be a nationalist and a Québécois, on the one hand, or a Canadian, and give up your nationalism, on the other hand". That has been a decisively negative aspect of the Prime Minister's leadership. One of the inevitable consequences of that response on the part of the Prime Minister has been to encourage the kind of negative development which he feared might occur.

While the Prime Minister is correct that there is a cultural aspect to our problem of disunity, he is wrong in pointing his finger to the problem of minorities, as important as they are in other provinces. A great example in this context would be

President Roosevelt. In the 1930s that great country to the south of us was going through immense problems and there were constitutional difficulties connected with those problems. But President Roosevelt showed moral leadership. He did not rigidly distinguish between what was a federal matter and what was a state matter in his country. He said there were certain areas to deal with problems federally. As a president, he did that and achieved constitutional changes as well. Beyond that, he went over state boundaries, as I am suggesting the Prime Minister should have done in terms of his attitude to his own people in the province of Quebec.

Instead of René Lévesque saying that the language of work must be French in the province of Quebec, our Canadian Prime Minister should have said it. Instead of René Lévesque saying that the majority of people in the province of Quebec are Francophone, and therefore must have a majority of the positions of power in the boards of directors, it should have been our federalist Prime Minister saying those things. I suggest to the Prime Minister, through you, Mr. Speaker, that he had better start taking up that kind of leadership in the province of Quebec and not leave it all to René Lévesque, because if he does the ball game will be over.

In addition to the cultural question, respecting which I submit there has been a decisive failure of leadership in this country and no indication on the Prime Minister's part that he plans to change that in the future, there is the economic domain. There is a very important connection in the province of Quebec between the economic discontent of Quebeckers and the cultural resentment they feel toward Ottawa. It is not coincidence that the young, some 40 per cent of whom are under the age of 30 and committed to independence, feel the way they do.

In the last couple of years the province of Quebec has experienced 50 per cent of the new unemployment in Canada. The province of Quebec has a quarter of our population but a third of our unemployment. How does a young worker in Ste. Thérèse or in the Gaspé region, feel when he sees in Ottawa a government which rejects his cultural desires, and compounds, the problem by doing nothing about his human need for a job? That is the precise connection which is being made now by thousands of young Quebeckers all over that province. In real terms, I remind the Prime Minister that we are talking about 400,000 who are out of work in the province of Quebec, and a disproportionate number of them are young Quebeckers. Having failed the Quebec French-speaking population on cultural grounds, the grievance is compounded when their human desires to have a job are ignored.

Beyond the province of Quebec there are economic reasons for discontent in our land. Because the Prime Minister knows something about history, I ask him to remember that when this union came into being in 1867, it did so because the regions coming together thought they were all going to get equality of concern, if not absolute equality, by the national government. They expected approximate equality in their circumstances and their opportunities to grow.

In economic terms, I suggest that is still the legitimate foundation of the national union. If that is not achieved in Canada, the national union will not be maintained either. I direct the Prime Minister's attention to the figures for Atlantic Canada. The leader of the opposition brought out some of those figures today. I ask the Prime Minister to consider the fact that our fellow Canadians in Atlantic Canada suffered disproportionately, age after age, decade after decade, from unemployment which has worsened during the last decade rather than getting better. As has already been indicated, the program of regional development has been virtually scrapped.

On television the other night I saw a very moving Cape Bretoner who said to all Canadians watching television that they had serious problems in Cape Breton. He mentioned something which I am sure, caused people who live in Toronto, Montreal and Vancouver to shake their heads and wonder about. He referred to the fact that they still have outdoor "johns". That is a joke for most of us because it is so remote from our cultural experience, but for a good part of Atlantic Canada it is a reality. That type of regional inequality is something Canadians in that part of our fine land will not tolerate much longer.

There has been lots of rhetoric and nonsense spoken about western Canada in regard to western alienation. Perhaps occasionally I have indulged in a little of that myself. But the reality is there. The Prime Minister knows that there was a western economic opportunties conference in 1973, when the four provincial governments met with the federal government and set up a series of legitimate demands. What were those demands about? Did they want special treatment? Did western Canadians say they wanted something that Ontario and Quebec did not have? Of course they did not. They said to the national government, "Give us an equal break. Change the freight rates system so that in the prairies there is an equal opportunity to develop industry, just as there is in southern Ontario". That was a reasonable demand. They asked for some moderation in the government's taxation policy on resources which it changed overnight without telling them. Again, that was a reasonable demand.

● (1700)

Following that conference, if I recall correctly, the Prime Minister said that these were sensible proposals for western Canada, that they were legitimate expectations for our prairie people whether they live in Moose Jaw, Calgary, or in the more rural parts of the prairies. But what did the Prime Minister do, Mr. Speaker? In 1973 the conference took place in a year when there was a minority federal government. In 1974 there was an election and the Prime Minister got his majority and forgot entirely about western economic grievances. He forgot entirely those legitimate concerns of western Canadians who want to feel part of Canada too, those on the prairies more than those in British Columbia. They feel that the Liberal party of Canada plays a cynical game in every election. The cynical game is that they calculate their majorities in Ontario and Quebec and say to hell with the rest of Canada.

I think any objective analysis by a historian, or political scientist, of government by the Liberal party over the past 20 years will support that western cynicism. The Liberals do their polling, they send out their surveys and find out whether leadership or some other policy is the issue, they count the votes in Ontario and in Quebec and, by God, if there is a majority, they call an election. In the meantime, serious harm is done in our country because westerners become more discontent with their lack of power and the people of Atlantic Canada continue to suffer prolonged inequality. I say to you, Mr. Speaker, that an unjust confederation, not just from the point of view of the people of Quebec but from the point of view of western and eastern Canadians, will not survive and the Prime Minister had better learn that.

One issue, more than any other, of concern to our people, whether in western Canada, in Quebec, in northern or southern Ontario, is unemployment. I am not going to take the time of the House this afternoon to repeat speeches which I and others have made in past weeks and months. Let me simply say that the problem does take on national unity implications. I say that because there is an unhealthy correlation between high levels of unemployment and regions of serious discontent and the state of national unity. If you go to Newfoundland, you hear cracks about upper Canada and Newfoundland has 30 per cent unemployment. If you go to the Gaspé region, you find separatist members have been elected and you also find very serious levels of unemployment. There is this kind of pattern existing in a good part of our country within provinces and between provinces.

I say to the Prime Minister, as I have said elsewhere, that one of the best ways of making the nation work is actually putting the nation back to work. I wish that the Prime Minister would take that objective a little more seriously. The approach to the question of national unity taken by my party has been a serious one. We have not recommended a national commission. Since last November 15 we have been working to draw up very specific suggestions regarding what should be done at this time to maintain a strong, united country. Before coming to two or three points in that program which I want to emphasize—and I want to emphasize them with pride because 950 or so delegates at a recent convention of my party worked all over Canada Day weekend, appropriately and symbolically enough, to come up with what I think is a remarkably sound resolution on the subject—I want, in all seriousness, to discuss what I understand to be the central argument of the official opposition.

I listened with respect and with interest to the Leader of the Official Opposition this afternoon when he emphasized economic concerns as a legitimate and important aspect of national unity. I want to say on behalf of my colleagues that we are in full agreement with the Leader of the Official Opposition on that.

Some hon. Members: Hear, hear!

Mr. Broadbent: But beyond that, Mr. Speaker, there is a substantial difference between our approach and the Conservative party approach on the constitutional issue. There was not much emphasis placed in the speech of the Leader of the Official Opposition today on the point, though it has been emphasized many times in speeches he has made outside the House. I want to deal with it because I think it is a dangerous point. I refer to the argument that at this point in our history we must, either by tax point transfers or by changing constitutional power, give more authority to the provinces.

In my view, Mr. Speaker, that would be a serious mistake for us as a federal union. As a federal country we are now burdened in some sense with a central government which has less economic power than the other major federal countries in the world. To take any more power, principally economic power, away from the central government would, in fact, contribute to disunity. The point I want to make is that giving either tax points to the provinces or constitutional power will cause the rich provinces to get richer and more powerful and, conversely, the poor provinces to become poorer and less powerful.

For example, a tax point transfer involved in recent legislation introduced by the government and supported by the official opposition just a few months ago. One tax point transferred to a province means $4 per capita to the province of Prince Edward Island, but $10 per capita to the province of Ontario.

Mr. Kaplan: They are equal.

Mr. Broadbent: No, Mr. Speaker, they are not, and I can go into the details of the new equalization formula. As a result of the decision reached in the new fiscal arrangements, there is in excess of a $1 billion net increase to the province of Ontario over any other province. On behalf of my party, I want to say that the kind of Canada we want to build is not one in which we will find the rich provinces, whether Ontario, British Columbia or Alberta, becoming richer at the expense of all the rest. We will have nothing to do with that.

Some hon. Members: Hear, hear!

Mr. Broadbent: Quite apart from any notion of equality which, from my perspective, is so central to the argument, I appeal to my colleagues in the other parties to consider the following argument. If they are not interested in principle, in the notion of equality as such, I would ask them to think about the implications for national unity. If this kind of transfer continues, whether in the tax system or constitutionally, what it will mean is that the Atlantic provinces will build up a set of grievances against Ontario and against British Columbia, and perhaps Saskatchewan, after a few years of bad crops—and that is possible—will find itself once again in a have-not position. This will cause great resentment against the richer provinces. By giving more power to the provinces, either in the form of constitutional change or fiscal transfers, what we will be doing is sowing the seeds of future discontent in our land. So for national unity reasons alone I think we should oppose this kind of move.

If we reject that kind of constitutional approach seriously put forward, what is the option? Do we revert to the kind of centralized federalism that we have had over the last ten years, one that has shown no respect for or sympathy with the nationalist development in the province of Quebec; one that has insisted upon a rigid application of national programs, whether we are talking about hospitalization or CMHC, right across the land? I suggest that is not the option. There is a third alternative, and I should like to sketch in what I think some of the components of that third option are in terms of Canadian federalism at this point in our history.

● (1710)

First, we want to emphasize the need for an effective national government with a national program, whether we are talking about unemployment insurance, medicare, hospitalization or housing. All of these programs must be maintained on a national basis in order to give Canadians from coast to coast some reason to identify with the national government. Such programs can be nation building.

Second, we suggest that the government take the rhetoric of decentralization seriously, but instead of decentralizing fiscal power or constitutional power what they should do is decentralize in a fundamental way the administration of such programs. They can establish housing programs on a very broad scale and money will go to the provinces to build homes within a certain income category and price range, but then leave to the provinces the right to decide what kind of housing they will build. We do not need the rigidity that we find in CMHC.

Some hon. Members: Hear, hear!

Mr. Broadbent: The housing needs of New Brunswick are different from those in downtown Vancouver, and both, again, are different from those in rural Quebec. So let us turn over pretty completely the administration of such national programs to the provinces, the same as I said on another occasion in terms of hospitalization. If the provinces are to get money for hospitals, they should not be told, as the government has told them in the past, to spend it all on acute care hospitals. Maybe one province needs more nursing homes than acute care hospitals. Again, the solution is not to get rid of such national programs, which I take to be the logic of the Conservative party. The solution is to maintain such programs, but to radically decentralize the administration and give the provinces the right to decide whether it makes more sense for them to build acute care hospitals or nursing homes. That is our second point, that we can have substantial decentralization in the administration of national programs.

The third point I would make, particularly at this point in history, is that we need a massive program to deal with unemployment. The Prime Minister recently came back, with what I took to be some kind of pride, from a meeting of seven industrialized countries and said that we are not unique, that all countries have the unemployment problem. What he did not point out is that among the seven countries we are the worst. He casually forgot to say that the other six have an unemployment problem, that is true, but two or three of them have social democratic governments which are doing a hell of a lot better than Canada is with the combination of inflation and unemployment. That is the point. Certain governments are prepared to involve themselves in the kind of national economic planning that is necessary to deal with both inflation and unemployment, and the resolution passed by my party on the weekend calls for such a national planning effort on behalf of this government.

Fourth, I turn to the constitution. It is our view that some constitutional change is necessary; some is inevitable. There has been change in the past and there will be change in the future. Some sensible proposals have been made by a number of Canadians both inside and outside this House, but I want to stress that in our view the basic structure of our constitution is sound and the prime source of our current tensions and problems in Canada does not come from the constitutional structure we now have. It comes, rather, from the policies and leadership, or lack of leadership, in the politics associated with that constitution.

I suggest that, for example, in the province of Quebec where the cultural problem is the serious one, René Lévesque is showing that within the present constitution the French language can be made the language of work for the people of Quebec—and I and my colleagues, salute and support that effort. Second, the effort to make changes in the distribution of power in the province of Quebec can be done within the present constitution. It is the case that the minority of Anglophones dominates the power structure in the corporations in that province, and it is the case that if the prime minister of that province wants to change that, as he does, he can do so within the present constitution and we should encourage him in so acting.

Finally, another aspect of concern to the people of Quebec, as expressed by a good number of them, anyway, is that they want to get more control over their natural resources, as do a lot of people in other provinces who support the philosophy of my party. I say through you, Mr. Speaker, to the Premier of Quebec that if he wants to do to the asbestos industry in Quebec what Alan Blakeney has done in his province to the potash industry, more power to him. He can do that also—I want to stress this—within the existing constitution.

Some hon. Members: Hear, hear!

Mr. Broadbent: Although we are very open, as a party, to those who want to propose constitutional change, it is certainly our view at this point that that is not the primary concern and that more basic economic and cultural matters and problems can be solved by political and economic decision-making within the present framework.

Let me conclude with our last point. What I think is really required in our country, more than anything else, is a leadership which says to the people of Quebec and to ordinary Canadians outside the province that there are, in fact, two great cultures. I say that to the Prime Minister who tries to pretend that somehow it is simply a multicultural society. It is

multicultural, but he knows as well as I do that there is a predominant Francophone culture established as a society in the province of Quebec, and there is the English community outside of it. What we require, surely, from the national leadership is for those of us who are federalists to say to the people of Quebec, "Let us work together. There is an immense amount of good that we can do. Within the federal union we can best preserve your cultural existence and Francophone community so you will not be gobbled up by the Americans to the south; and together you, the province of Quebec, and Canadians elsewhere can build a just and decent society that is really committed to building a sense of community based on the values of liberty and equality."

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, on behalf of the Social Credit Party of Canada, I am pleased to take part in this important debate on national unity, or more especially as far as Social Crediters in the House are concerned, on the constitutional future of Canada. The conditions in this country have changed substantially in 110 years. We have evolved from a mainly agricultural and stable society into an industrial, technological, urbanized and active community in the business world, so that our needs have also changed.

Some clauses of our constitution should not have been altered, while others should have been abolished or slightly amended. Considering our present constitutional document, the Social Crediters are demanding a new constitution for several reasons and among others because our constitution is already 110 years old. It was not drafted in Canada, by Canadians, for Canadians without outside pressure. And then our constitution is still in London after 110 years and we are not sure where it is localized and how it could be patriated. With this so-called Canadian Constitution which no longer meets our needs and which causes us so much trouble to patriate, it is the contention of the Social Crediters that it is easier and better to have it where it is, especially when we consider the trouble its patriation would entail in relation to its real value in Canada nowadays.

A new constitution drawn up by the provinces is the safest way to come up with Canadian constitutional harmony, to the satisfaction of all parties involved, namely the provinces. We should not be unduly bothered Mr. Speaker, by the constitutional troubles Canada experiences at this time as we are contemplating a new constitution. France and the United States have set up their constitution in more dramatic circumstances than ours, following bloody revolutions. However, the procrastination demonstrated by this government, as well as previous ones, and its attitude towards the provinces in the present constitutional crisis could only lead us, perhaps too soon, unfortunately to a situation which other countries have experienced with regret.

Sentimentally, the Social Crediters identify themselves with the whole country. Intellectually, I am sure that the future of everyone will be better if we stay together. Why should we separate or divorce if it is to get married again. Thus I approve and we approve the Prime Minister (Mr. Trudeau) not to believe in divorce between the provinces or in the separation of Canada, nor in the marriage of the provinces under a so-called sovereignty-association. Still I cannot understand the actions of our Prime Minister in the light of what he says, for the actions of an individual generally reflect the actions of the country, and all the more so when one is Prime Minister.

Divorce and separation are totally contrary to marriage and national unity. On December 3, 1976, I made a speech in the House on the value of the British North America Act of 1867, in the course of a debate on the constitutional issue which was initiated by the Social Credit Party after the Quebec election of November 15. I will not repeat today the arguments I put forward in that speech. However I would like to resume the discussion on this question by addressing myself to the new Canadian constitution which we have been claiming for such a long time, as I indicated in my speech of December 3, 1976.

● (1720)

In *La Presse* of May 4, 1977, Mr. Pierre Desmarais II, president of the Conseil du patronat du Québec is reported as saying:

> We need a refurbished federalism which the provinces have to redefine.

Mr. Speaker, we in the federal government think of ourselves as being all-powerful, those who have the absolute power. We in the federal government have to be the ones to tell the provinces what their constitutional future is. Well, here is what Mr. Pierre Desmarais II, president of the Conseil du patronat du Québec, has to say:

> Mr. Pierre Desmarais is in favour of a refurbished and renewed federalism which the provinces have to redefine.
>
> Speaking before the Rotary Club and the Chamber of Commerce and Industry of Metropolitan Quebec, Mr. Desmarais contended that one of the first rules of the game of Canadian federalism is "that the distribution of sovereign powers be consistent with the will of the provinces".
>
> It rests with the provinces that make up the country to decide what part of their sovereignty will be shared with the central authority. The review of our constitution and the reorganization of constitutional jurisdictions are essentially the responsibility of the provinces. If they want to reduce their aggregate powers to increase their respective power the decision is theirs alone. There is no national will without the will of the constituent parts.

I think this is very important. I go on quoting:

> There is no national will without the will of the constituent parts. This is the price we have to pay for our national unity.
>
> To this extension of provincial responsibilities, Mr. Desmarais adds the necessity of proportional representation of French-speaking people at every level of the federal administration as well as the respect for the linguistic rights of the minority groups. However, he refused to elaborate on the form this division of powers should take, believing that it is for the provinces to sit at the table and determine what they expect from the federal system.
>
> In response to the terms of the conference entitled "Why choose Canada?", Mr. Desmarais expressed his conviction that the federal system is the best formula to ensure the future of French-speaking Canadians because it is a flexible formula, because our institutions are able to adjust according to our needs and hopes, because it allows a combination of forces and because it brings men together.

In 1963, Mr. Speaker, addressing the Quebec Kiwanis Club, the Hon. Daniel Johnson, the late Quebec premier, stated as follows:

Before starting to draw up a new constitution, tailored to fit the needs of modern day Canada, the principle must be laid to rest according to which in a federal or confederal regime all provinces must of necessity be shaped in the same constitutional mold, have the same rights, the same responsibilities and the same sources of revenue. He added that a new constitution, perfectly adapted to the legitimate aspirations of the two cultural communities, would be possible only when English Canada and French Canada will have understood that Quebec is not, and can never be, a province like the others. Mr. Speaker, constitutions are made to serve man and not to enslave him. The greater and stronger governments become, the greater the risk of people becoming isolated from the main centres of decision. The 110 years of massacre inflicted upon the constitution of 1867 by the present government and its predecessors has led to Canada finding itself, in 1977, in a worse situation than it was in 1867.

Ever increasing centralization on the part of the federal government has provoked a back lash on the part of the provinces which clamour increasingly for greater autonomy. From that state of affairs stem two contrary political forces which have led Canada to the brink of the abyss of separation. Everyone knows that our so-called constitution of 1867 was never approved by referendum in Canada in 1865. Why weren't the people consulted in 1865—on a question of such tremendous importance, in which its future was at stake? This consultation did not take place because the debate was so hot at the time of Confederation that the bishop of Trois-Rivières, among other people, had to intervene to calm down people and because the federal government of the time feared being beaten in Quebec by a referendum; so they decided to avoid the verdict of public opinion by having their plan approved by members only.

● (1730)

A new confederation should comprise autonomous communities with equal rights, but in no way subordinated to one another, although united by common allegiance, namely the principle of equality of all provinces in a new constitution which does not mean that there is unanimous consent on the part of all members of the collectivity. A new Canadian constitution should give to the provinces the right to decide for themselves whether they want to remain in Confederation. This right would contribute to a large extent to prevent potential violence because of the right of peoples to determine their own destiny in peace and order.

All obstacles put in the way of promoting and abetting separatism can only accelerate what we dread. A new constitution should provide for flexibility, openness of mind, mechanisms for regular consultations between the federal government and the provinces and a decentralized federal authority which would supplement and strengthen provincial governments. Strong provinces would thus attenuate regional conflicts. It is thus essential to redistribute powers among more viable units. If the provinces see fit to reduce their present eleven parliaments and two territories, they should be free to do so themselves.

An autocratic government can only appeal to a dictator. In a democracy, the government must look after the ordinary citizen, see to his welfare, his security and his expectations. It must consider his desires which are expressed through popular organizations and action committees within parishes. Government of the people, by the people, and for the people is infinitely more complicated than are absolute monarchy and dictatorship, for example. A new Canadian constitution as proposed by the Social Crediters would allow every province to determine itself its political and financial course in a Canada whose wealth and diversity could very well go with a decentralized federalism at the service of the provinces and not out to subdue them.

National unity might be a noble and desirable aspiration if it applies to English Canada only, but it becomes an irritant and against nature if it seeks to encompass French Canada. French Canada can only let itself be drawn into that national unity movement by sacrificing its own national characteristics and resigning itself to fusion and simulation. A single uniformity might be desirable in a country where there is only one nation, only one community, only one language and only one culture. We are against the Liberals' or this government's national unity because we are against the present constitutional melting pot.

We are against the status quo of this government. We are for national harmony via a new constitution because national unity in Canada, Mr. Speaker, is impossible since we have not one but two national communities. The province of Quebec must bear alone the responsibility for the French-Canadian culture. When the powers are uneven, the legislative and fiscal powers cannot be the same. It is wrong to think that all provinces must have exactly the same powers and the same means of action. It is in the name of that faulty principle that Ottawa continues to multiply constitutional subsidies for joint programs in provincial fields without leaving Quebec any other choice than conforming to common standards to recover the money it pays in federal taxes or tax itself again for the maintenance of its own institutions. What I just said, Mr. Speaker, with respect to the province of Quebec also applies to all other provinces of Canada.

It is in the name of this false principle that this government, this status quo government, is asking us to disregard the pact of 1867 in order to comply with the will of the majority in a federation where French-speaking Canadians make up 30 per cent of the population but control only one government out of 11. So long as the same constitutional straitjacket is imposed on all ten provinces, we will never get out of the present constitutional impasse. The two communities making up the Canadian nation will be a problem for each other.

The counterpart of this constitutional dead end lies entirely and solely in the sharing of powers among governments. If Canada exists today and if it is to exist tomorrow, it is on one essential condition, to remain a federal state in fact and not only in name. The federal state is a creature of the provinces. It seems this fact has been forgotten here. Its only purpose is to promote their common interests, that is the interests that

the provinces feel are similar enough to be looked after by a sole representative for all, namely the federal government, for more flexibility, for the sake of economy or for greater efficiency.

The federal government must have limited powers. They should not have any other powers than those conferred upon them by the Constitution. They should not try to interfere with the responsibilities and jurisdictions of the provinces, neither in time of war nor indirectly nor under the pretence of their international role. They cannot either act through statements and on strictly political grounds, without first submitting the matter to the provinces, nor through fiscal means or judgments rendered by their own courts, nor can they do it in case of emergencies or for the protection of so-called national interests. They cannot argue either that evolution has traditionally been a centralizing force or that economic progress commands it or finally, that nowadays science and technology require greater centralization.

However, that is what the federal government has been doing in Canada for several decades. To cope with this situation, to counteract this centralizing trend, to avoid the disruption of Canada and so that the provinces are not reduced to mere administrative ridings and are in a position to assume their responsibilities for the better-being of their citizens and to avoid that French-Canadians are forever second-class citizens in their own country and, finally, to assert the principle of equality among individuals and groups, it is therefore essential that the new Canadian Constitution should provide for safeguards and limited federal powers.

These vital safeguards are the following: First, a constitution written in a clear language which cannot be subject to whimsical interpretation; a constitutional court whose fairness and non-partisanship would be unquestioned; a list of federal powers which would be limited with corresponding restricted fiscal powers; a compulsory constitutional amending formula which would not enable the federal government to unilaterally increase its powers.

These requirements are not met at present and in all fairness it can be said that this is the root of our political, constitutional, economic and social difficulties. Here is the answer: the provinces should be granted real powers. Having said that, I want to deal for a few moments with the suggestions made by the leader of the New Democratic Party (Mr. Broadbent) who advocates more centralized powers but an administration at the provincial level. This is nonsense because how could a province properly look after its own administration if the federal government retains all financial authority? How could a province decide upon the quality of housing if the federal government does not grant enough funds to build good houses in the provinces? Centralization has proved its worth in Canada. Since 1867, we have had ever-increasing centralization. Let us see what the situation is now.

Mr. Speaker, let us give real authority to the provinces! All the authority not conferred on the federal government by the initial constitution or by amendments thereto should belong to the provinces. This is the spirit of the confederative act, the autonomy of the provinces or the self-determination of the provinces is the right of privilege and the ability to make one's own decisions. This right is the basis of the natural freedoms that are nowadays called "human or civic freedoms or rights" and also "political, economical and social rights". These rights are individual rights and no democratic state has the authority to take them away; it can only control and regulate them and prevent some abuse against others.

Democracy is founded on the autonomy and freedom of citizens; it also exists in the autonomy of the provinces. In very large countries, and I consider that Canada is one of the largest countries in the world, this autonomy, this freedom is handed down through regional institutions. This is why true federalism means that the provinces which make up confederation have the right to self-determination and to enter contractual relationships with one another through a constitution which must provide for the protection of their rights as provinces by keeping the peace among them, by maintaining law and order and preserving the traditions of each of them and by increasing the common prosperity.

Among all the federated states of the world—and there are more than 20—Canada is the only one where the federal government assumes full powers, and since this is against the nature of things, this issue should be clearly resolved, otherwise we shall never get out of the constitutional status quo in which the Prime Minister and the present government have put us. If, under a new constitution, full powers belong to the constituent provinces, it is useless to list them. Our constitution, like the constitution of the United States, should proclaim unequivocally that the member provinces are the founding provinces and that the founded state is the federal state. This brings me to give the following explanation: Only the constituent provinces can agree to amendments to the constitution. The federal state could never make such changes alone, neither through foreign legislation in London or elsewhere nor by a simple federal legislation. If at times there were matters on which provinces would not necessarily agree and the interest of several provinces would prompt them to accept an extension of federal duties, such extention could only be made through a constitutional amendment under a majority rule still to be determined. The constituent provinces would never agree to an amending formula unless they knew first what powers they are prepared to hand over to the federal government, but particularly as basic conditions: that they have full powers, that a constitutional tribunal be set up and that the constitution restrict the unilateral action of the federal state.

One of the most serious deficiencies of the present constitution is that it does not provide for an amending formula. The provinces cannot initiate amendment procedures. Moreover, there is no distinction between matters of major and minor importance and lastly, a constitution must be flexible, that is it must be easily adapted to the circumstances. This could be done by drawing up a list of possible concurrent powers, where the federal state can legislate and spend public moneys. However, the provinces could always act concurrently if they

wished. But their legislation should always have priority over federal legislation in all cases not otherwise provided for.

This does not mean, however, that the federal government would be excluded of all new activity. On the contrary, its concurrent powers should be more extended than they are now, but along with an opting out right without any financial or other penalty for those provinces which would not accept the federal paramountcy in the areas not clearly allocated to the federal government under the constitution. Such a sensible approach is to be found in every modern constitution. We are also convinced that the French language will never be protected by other than the founding province of Quebec. We are also convinced that the old federal parties are committed to centralizing residual powers in Ottawa, and that such a centralization effort stems from an electioneering approach on the one hand and the bureaucratic and financial establishment on the other.

In this light, the Social Credit Party of Canada is recommending a new constitution that would respect the principles stated earlier and allow for constitutional harmony between our Canadian provinces. Concretely the Social Credit Party of Canada urges the drafting of a new constitution made in Canada by Canadians for Canadians, aimed mainly at reviving the true Confederation spirit where the parties involved, provinces in other words, will recover and assume all the powers that belong to them, in order to protect and safeguard their identities and ensure their true participation in monetary, fiscal and trade decisions in Canada. In order also that such decisions taken at the federal level exert exclusive control on and deeply influence provincial economies and provincial initiatives.

The steps leading to a new constitution would therefore be the following: provinces will be responsible for establishing the constituent assembly to draft a constitutional proposal. The constituent assembly could be comprised of representatives of the people especially elected for that purpose, members of parliament and provincial legislatures, representatives elected by various organizations, with the help of experts in an advisory capacity only. The constituent assembly could hold sittings in every province, consult with all existing organizations, in order to be in a position to develop a modern draft meeting with the aspirations of every social class and the various groups.

Once the proposed constitution had been drafted, the various provincial legislative assemblies would scrutinize, amend and accept in principle the proposed constitution, which would then be submitted to a constitutional conference of all Canadian provinces. The proposed constitution would further be submitted to the people of each and every province through a referendum. Finally, this new constitution would become law on the date set in the constitution. It would give provinces complete responsibility with full powers, and extend to the federal level responsibilities to execute the mandate given by provinces for their greater social, economic, political and cultural development.

● (1740)

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as a Canadian who feels deeply and passionately about the future of this great country, I deem it a great honour to have the opportunity to participate in this debate. I begin from the premise that Canada, after the election of November 15, can never be the same again. It seems to me we have two clear options. First, that we shall go on to be a stronger, more united country, more united than ever before; or, second, that—as the Prime Minister (Mr. Trudeau) said earlier—we shall drift into separation by attrition and shall end up with French only being spoken in French Canada and English only spoken in English Canada. At times I see great hope for a stronger, more united country. At other times I am very concerned in case that which none of us wants should come about.

It seems to me that we are discussing, in this debate, the sorts of questions which arise in the discussion of any personal relationship. In any relationship, be it that of business partners or any other personal relationship, it is important for both partners to lay their differences on the table openly and frankly. If there are differences, one must ask if both partners are prepared to make attitudinal changes which will restore the former relationship. If that were not possible, I should be most concerned about the future of our great country.

Several have already spoken in this debate. Writers have written articles on the question and perhaps expressed their views more clearly than I can express mine. They have written articles about this country, studied its history and expounded the difficulties it faces with great clarity and depth. However, I have made it my business, as a member of parliament, to travel across Canada and to participate in many different areas in the debate on national unity. It seems to me, therefore, that we are debating a fundamental question. When we debate the French-English question, we are really debating the right of a people to preserve a culture as old as this country. We must accept that a substantial number of our people are unilingual and their ancestry goes back to the beginning of this country. Also, when we debate this question we are debating equality of opportunity in education, economics and social matters. Perhaps, most important, we are debating the right of Canadians to be perceived by other Canadians as equals.

It seems to me that the debate has centred mainly on the French-English language question, but I should like to broaden this debate and put on record certain facts affecting the region of the country I represent. Mr. Speaker, I represent many people who came to this country in the last 20 or 25 years. Many of them voice the same concerns. Many of them belong to visible minority groups. They question their role in Confederation and whether they are perceived by others as being equal to other Canadians. It seems to me, no matter if we debate economic development in the maritimes, problems in the west, the aspirations of native peoples in the north to have their land claims settled, and objectives heeded by the rest of Canada, that the basic question with which we must deal is the

right of individuals to play a role in this country, a role equal to that played by other Canadians socially and economically. Our individuals seek these rights.

Perhaps I can draw an analogy with the anti-inflation program. Since the days when inflation was running rampant, it seems to me one can see a perceptible change in the attitude of many in this country. People were striving for almost unrealistic gains, were doing so with an attitude detrimental to groups not as strong as the ones to which they belonged. I think of business groups which made a point of saying that unions should be done away with. I also think of unions which said that what happened in future did not matter; they were concerned about present wage gains. An individual somehow felt in his position he was a good deal better off than the next person.

● (1750)

There is a whole harsh attitude, particularly in that part of Canada that I represent, toward people who speak a different language, have a different colour of skin, dress differently or come from a different economic stratum. It is all of these we should be concerned about. If we look at it in sheer isolation, we are not effectively speaking to the problems facing Canadians today.

I was attracted to a comment, reported in *Maclean's* magazine, by the hon. member for Waterloo-Cambridge (Mr. Saltsman), and I quote:

> We are in danger of becoming a nation of well off bitchers—province against province—group against group—region against region—person against person.

As a country we can only be successful if the larger, stronger, and more powerful groups are more charitable to the minorities and conscious of their rights and aspirations.

It all comes back to the question of attitudes and whether people are prepared to change and understand. I think they are and I think they can be. Who would have thought in October, 1975, when we had such a confrontation in our economy, that today business, labour, and government would be sitting down at the same table, perhaps not in total agreement but at least discussing some of the problems? If we can accomplish that, in spite of the threat of inflation presented to the country at that time, surely we should have a similar ability as Canadians to have that same attitude of wanting to look sincerely at the problems of national unity and seeing what we might be able to do.

I want to talk for a few minutes on what I think are some of the solutions to the national unity question and what the role of members of parliament should be in this entire matter.

I feel very strongly that we, as a government, have to stand four-square for minority rights. I am pleased that in this session of parliament Bill C-25 with regard to human rights and the discrimination question has been passed. The recent publication "National Understanding" was a large step forward for this. However, we do not want to leave it there in terms of having printed this policy paper and having passed that type of legislation. Everyone in this place has to believe sincerely the motivation behind that legislation and that document.

If we are not concerned enough to want to stand up for the rights of minority groups, not only to preserve them but to promote them, we will fail our country. Surely the many different viewpoints put forward by various groups relate to their concerns about this.

When we talk about the French-English question, this means that French speaking Canadians across Canada must have the types of rights that English speaking people want to have for English speaking people in Quebec. On that there are many points you can make. I was pleased to hear the Prime Minister comment earlier today about the tragedy at the present time of retrenchment on that in one part of the country rather than turning the argument around so that we are all concerned about bringing the rest of the country up to where it should be. It is not too late to rally to that side of the argument.

There is considerable danger that if we want to decide that very little can be done we will lose the advances that we have made in terms of minority language and other rights over the years. We have to support that side of the argument which maintains that the parts of Canada which do not offer real opportunity for minority language groups should do something about it.

I represent an area in Ontario, one of the richer provinces, one that could well afford to do a good deal more than they have been doing. I am desperately concerned that they get on with the job. If my knowledge of history is correct, in certain parts of Canada both official languages have been in the court system for as many years as this country is old. In some parts of Ontario today we find the situation where they are trying, on an experimental basis, to use both official languages. These are areas where there are substantial numbers of Francophones. This is something that has to be accelerated very quickly.

One of the difficulties that people in English Canada do not seem to understand and must learn to accept is that French has to be the working language in Quebec. Many of the people I talk to in English Canada somehow feel that this a real retreat from some other position. I refer them to speeches which the Prime Minister has made a number of times. It is as natural for many people in Quebec to speak French as it is for us in English Canada to speak English. Having said that, I am equally concerned that the freedom of choice for minority groups in Quebec be protected.

It does not seem to be very well understood in English Canada that for a very long time it has been possible for an Anglophone in Quebec to be born an Anglophone, educated as an Anglophone, work as an Anglophone, operate socially as an Anglophone, and die as an Anglophone. At the same time there have been full services in the provincial government over all these years in both languages. English Canada must now look very carefully, certainly where there are groups significant in number, at providing these types of services as well.

That is the kind of objective we should be working toward, rather than moving away from that position.

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock, I do now leave the chair until eight o'clock later this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Milne: Mr. Speaker, at six o'clock, when we took recess, I was talking about some of the thrusts which I thought important toward improving the relationship between the English fact and the French fact, and suggested that this question should really be considered in a wider range.

One of the things I think is terribly important is the role the Francophone has played in middle and senior management in many companies in Quebec and, indeed, in the government here and across Canada. I think it has been well documented, and perhaps the record should show, that of 104 of the largest businesses in the province of Quebec, fully 90 of them are considered to be completely Anglophone, 43 of them did not have one single Francophone on their executive payroll, 23 of them had one, 13 had two, six had three, two had four, and only four had five or more. Anyone should be able to imagine from those figure how discouraged Francophones must be in the business community that their progress had not been more substantial than that.

The chief point I want to make in the remaining few minutes I have at my disposal is that whichever way this argument about the future of Canada turns out it will surely in the final analysis be determined through the political fact. The time will come when Canadians will have to decide whether the leadership of the Prime Minister (Mr. Trudeau) and the Liberal party are best suited to handle this problem, or whether it is the Leader of the Opposition (Mr. Clark) or one of the other parties. Based on the speeches given today and the performance since November 15, no question remains in my mind about which person Canadians will vote for and follow. The Prime Minister has consistently gone across this country and talked about national unity. He has expressed the same point of view wherever he has spoken, and has garnered substantial support for this viewpoint on the matter.

I was very disappointed to hear the Leader of the Opposition today making known his more-or-less partisan point of view. When he talks about lack of leadership I think he should look at his own situation. It seemed to me during the by-elections in Quebec, as reported in the press, that certainly some of the candidates of his party were very close to the PQ in terms of—

Mr. Grafftey: That's poppycock.

Mr. Milne: It happens I have the floor at the moment and wish to put that on record. When you look at leadership, the leadership given by the Prime Minister has been outstanding. But my greatest concern is that Canadians might join the party called "Apathy", which would be the greatest tragedy of all.

I recently read a survey indicating that if the "undecideds" were left out about 28 per cent of the people in Quebec would probably be committed one way or the other to the separatist option. Perhaps about 40 per cent are committed to the federalist option, and another 32 per cent are classified as moderates. This argument will certainly be won or lost in the appeals to the hearts and minds of these moderates. There are many comments we could make on that, but in an article which appeared in *The Globe and Mail* on Friday, December 31, the Rabbi of the Holy Blossom Temple, Dr. Plaut, wrote:

> Everyone agrees that there is a significant segment of Quebeckers, anglophones and relative newcomers as well as an important section of the francophone community who will remain deaf to the sirens of independence. Obviously their support is essential and they need to be strengthened, but their effectiveness will be limited by their numbers.
>
> There is, however, a third segment. Its members are as yet undecided francophones whose votes will determine the fate of the province and of Canada. What can we do to attract them to the vision of one Canada? The answer will not so much lie in concession, handouts and credits, for most of them are not likely to arrive at this most important decision of their lives on the basis of short-run economic advantages. I think they can be swayed by new attitudes in anglo-Canada, attitudes which have been sadly lacking in large portions of the population. What they need to know is that they are understood and accepted in their differentness, and welcomed by a change of heart, and not merely with bilingual arrangements.

I would be difficult to say it any better than that.

I am watching the clock and see I have very little time left in which to speak. I wish I had the time in which to comment on the educational system. I am deeply distressed that the funding which is available is not being used by the provinces. Indeed in the riding from which I come a group of parents have been paying extra to have their children educated in French, and even then it has become a matter of concern as to whether that can be continued. Fortunately a decision has been made that it can continue, but I make the point that a lot of parents and a lot of constituents are way ahead of governments in terms of their desire to see secondary education in the other official language.

I also hold the view that the teaching of Canadian history in our schools is one of the most overlooked factors in this whole equation. I well remember in school hearing at great length about Hannibal taking the elephants over the Alps, but I would think there are many people in Canada who have only a very limited knowledge of the history of their country. Many students have looked on history as a subject to "get through on" whereas in fact it is extremely important to national unity.

In conclusion I should like to read into the record a letter I received just this morning from a person who had lived in Ontario and moved some three years ago to Montreal. He is now in the process of moving back to Ontario, and these moves are occasioned by the fact that he works for a company which has production facilities in both provinces. He says:

> I'm sure you, like myself, are very concerned about our country at this time in its history. Living here in Quebec I can see major economic problems growing

day by day that have been brought on to a great degree by the events of November 15 last. In many respects these economic problems are bound to spill over provincial borders and have a profound effect on Canada as a whole.

● (2010)

The majority of the people of Quebec, as best I can determine, are not in favour of secession from Confederation. However, they are determined to bring an end to the second-class citizen status placed upon them by the majority of Canadians. To this end they have improved their quality of education and are today turning out science and commerce graduates that are capable of standing shoulder to shoulder with any Anglophone Canadian graduate from across the country.

The Francophone Canadian is a very proud individual. He is a different person than his parents and grandparents. He harbours desires for success and the amenities of life the same as all of us and is prepared to make the sacrifices to achieve them. His only reservation is that he wants to do it in his language of thought and not be compelled to carry on a full time translation process in order to get his point across.

I can sympathize with this desire as could any Anglophone who would take the opportunity to live for a period of time in Quebec. Language however has been at the root of many problems in the history of the world and possibly because we are such a young country we must make our own mistakes.

My wife and I—

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

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, nine years after the Prime Minister (Mr. Trudeau) formed his first administration, almost eight months after a separatist government is elected to office in the province of Quebec, members of the House of Commons are finally accorded a two day debate on national unity. For this debate the government presents a resolution in which members are asked to dedicate themselves anew to the continuing unity of Canada. Some of us, indeed the majority of us, dedicate ourselves anew to this country each day we enter this Chamber. We do not need a prolonged debate to do that, but two days is pitifully short to explore the reasons for the deep divisions and conflicts in this country, and to put forward proposals as to how they can be met and resolved.

The resolution itself reveals a very simplistic approach to the issue of national unity. Since last November 15 we have been exhorted, or we have exhorted others, to stand up and proclaim how much we love our country. But words, however fervently spoken, are no longer enough. The Canadian people have passed through that phase since November 15. Yes, we can all be and are missionaries in the cause of national unity, as the Prime Minister urged this afternoon. But surely it is not necessary for any of us in this Chamber to reiterate our feelings about Canada. We know how deeply we feel, and through our actions we try to show it with every passing day.

What this country does not need, and does not want, is a Charles de Gaulle approach. It would be an affront to Canada, to Canada's history and to Canada's people, for any individual to try to pass himself off as the incarnation of the country or the saviour of the country.

The Prime Minister has said again and again that will and determination will carry us through. But will and determination, unless channelled into some meaningful forum, cannot in themselves resolve the crisis this country faces today. Canadians are looking for a forum, an agenda, or a plan of action in which they can participate on a continuing basis in this emergency. But they do not have such a forum because the people's representatives—the duly elected members of parliament—do not have such a forum, except for a limited two day debate on a resolution couched in platitudes.

The Canadian people are entitled through their elected representatives to participate in deciding what form their future will take, and surely the best framework for this task is a parliamentary committee, as my leader has proposed. The failure of the Prime Minister to recognize this fundamental truth makes me wonder if he would not deliberately reject this idea for his own personal aggrandizement. He was asked last April to establish a special parliamentary committee to deal with the problems in our federal system. He said he would discuss the suggestion with the government House leader. The House leaders subsequently did discuss such a move, and I can only surmise that the reason a special parliamentary committee on national unity is not being proposed by the government at this time is that the Prime Minister vetoed it.

Civic-minded groups all across the country are setting up committees to discuss ways to rectify the country's current malaise. Can the House of Commons, the most representative forum of the people, do less than that?

Let us take a look at what the government has done in these last few months since the election of a separatist government in Quebec. Faced with the most serious challenge to Confederation in our history, members of the government did what they do with any other problem. They created a new secretariat in the bureaucracy. They realized there was something very special about this problem, so they appointed two secretariats. The secretariats have swung into action collecting newspaper clippings, running Pequiste economic pronouncements through a computer and, of course, co-ordinating each other's work. Their multicoloured flow charts, their computers, their analyses—everything is in perpetual motion inputting to Canada's very first programmed Prime Minister.

Today we have the appointment of a special blue ribbon commission. As worth-while as the operations of that group might be, it is yet one further example of the contempt the Prime Minister has for the relevancy of this institution. For parliament to take this lying down would surely be the ultimate abdication of its responsibility. These are eminent Canadians whom the government proposes to appoint; but they do not have the mandate that we have as members of parliament, the one institution chosen by all Canadians. The challenge that faces parliament in this year 1977 is not one that can be delegated to any outside commission, no matter how eminent.

The Prime Minister might just learn something from history. I ask him to cast his mind back to the difficulties of 1864, when the union of Upper and Lower Canada ran into grave problems. It was all too evident that the system was not working. Did the political leaders of that day send for an architect of an earlier time to help devise a remedy? Had the

present Prime Minister been there, his answer would obviously have been to reactivate Lord Durham.

Some hon. Members: Hear, hear!

Miss MacDonald: No, the political leaders of that day turned instead to their colleagues in other jurisdictions, to the working politicians of the time—Macdonald, Brown, Cartier, Galt, Langevin, Tilley, Tupper—and even though it took them three years of study, scrapping, reconciliation, and accommodation, they came up with a plan for a united Canada. They did not pretend to have the last word on Confederation. They were not searching for an ultimate truth, either to find one or to impose one.

● (2020)

The resolution before us and the attitude of the government for nine years suggest that language and language policy are the ultimate truth, that the country is defined by its languages, that bilingualism is the soul of Canada. This displays a very limited, a very narrow concept of Canada. Canada is much more than that. We know, Mr. Speaker, that economic disparities between English and French speaking groups, or between different regions of the country, exacerbate the problems of national unity every day they remain unresolved. But there is another dimension to the problem of national unity which has been largely ignored, and that is the political dimension. I do not mean by that the calling of an early election to capitalize on a crisis and thereby heighten the cynicism which abounds in the country regarding our political institutions. No, Mr. Speaker; when I refer to the neglect of the political dimension of this crisis I am referring to a long overdue analysis of our political system, our federal system, to see how it has to be changed to meet the demands of a greatly changed society from that of 110 years ago.

Over a century of experience in the art of federalism has provided Canadians with a workable political structure which is the envy of many countries throughout the world, given our complexities and diversities. But that does not mean that it does not require a major overhaul from time to time.

The agenda, the mandate, for a parliamentary committee looking into the causes of disunity in this country could cover a number of problems not presently being dealt with in any other forum in this House. It could monitor what the government is doing at the federal-provincial level and suggest ways to avoid the absurdity of one branch of government spending months working out complex new fiscal arrangements with the provinces, in complete isolation from another branch of government working on a language policy which, if implemented, would necessarily involve tremendous additional federal funding.

A special committee dealing with the problems of national unity might be able to bring some order out of this chaos. When lapses of that nature occur, is it any wonder the central government is regarded with distrust and hostility as the "alien they" by individuals, groups, and provincial governments across the country?

Well, how to overcome this lack of legitimacy, how to bring a new harmony to the federal system, how to make our national institutions reflect the regional nature of the country which has forced the provinces to be the primary spokesmen of regional needs? These questions would be high on the list of priorities for a parliamentary committee to examine when considering the faltering political dimension of our federal system.

Another agenda item for this Commons committee could be the consideration of a regional base for certain of our national institutions. Provincial nominees on such major bodies as the Senate and the Supreme Court of Canada would be an obvious starting place. In addition the committee could examine the composition of the ever-growing number of regulatory, administrative, and quasi-judicial agencies which exercise such broad powers.

As Professor John Meisel of Queen's University puts it in a forthcoming paper:

> Some of these agencies like the CRTC and the CTC are within federal jurisdiction but deal with matters vital to provincial development; others like the National Energy Board operate in areas where the provinces share constitutional responsibility. In both cases there are good reasons for shaping the structure and membership so as to provide closer ties to provincial governments.

I am gravely disturbed when I see major recommendations being made by a three man federally appointed board, such as the National Energy Board, in a field in which the provinces have unquestioned rights, and yet the provinces must come before board hearings in the manner of suppliants, with exactly the same status accorded to any individual citizen in this country. Is it any wonder we do not have a national energy policy when the main national agency for formulating that policy does not reflect the true political dimensions of the federal system? The same can be said regarding the lack of a national transportation policy, a national communications policy, a national regional development policy, etc.

But if regional or provincial representation were included in national institutions, Professor Meisel considers that "federal institutions would thus act as brokers of distinct regional and ethnic interests, and the decisions of such bodies, while applicable nationally, would result from the reconciliation of various provincial interests. Federal policies would more likely respond to regional interests, and also the regional interests represented in Ottawa would begin to perceive the national dimensions to their concerns."

The need to restructure the political—and by that I mean the federal—dimension of these bodies would be an important agenda item for a parliamentary committee seeking to eradicate some of the causes of friction in our federal system. Such a committee, if bold enough, might even examine the failure of this Chamber and of political parties to provide adequate national representation. On many occasions I have said that I believe the lack of strength of the Conservative party in Quebec over a long period of time, and the lack of Liberal representation on the prairies, have aggravated the threat to national unity.

The imbalance is apparent in considering even the most recent general election. While the Conservative party got 20 per cent of the total vote in Quebec, it got only 4 per cent of the seats. The Liberals, with 27 per cent of the vote on the prairies, won only 11 per cent of the seats. A special committee of parliament might consider the benefits and disadvantages of modified form of proportional representation and whether, by relating seats won more closely to votes, the problems of national unity might be alleviated.

I have no doubt such changes would have a profound impact on our federal system. They could alter its fundamental nature. But I believe that today's circumstances demand that we must be prepared to move beyond linguistic acceptance, beyond even constitutional realignments, to a re-examination of our entire political system.

In recent months members of parliament, journalists, academics, Canadians from coast to coast have begun to despair about the ability of this institution and other national institutions to cope with the great national problems that confront us. Parliament must not be seen to be impotent on this issue. It must not be seen as impotent by the people of Canada because, if it is, the cost not just to the credibility of this institution but to democracy itself will be extremely high. A parliamentary committee with broad powers to examine and question, to travel and hold hearings and to make recommendations, is one way to begin to put our own house in order, and the survival of our political institutions depends upon such an examination. Indeed, it could have the effect of alleviating the strains and stresses in our Confederation. As John Meisel has put it, "Motivated by the need to avoid disaster and to fashion a new community, we might thus create political institutions suited to the unique circumstances imposed by the regionally and ethnically divided nature of Canada and by the demands of the post-industrial society."

● (2030)

There are those who say that survival of our country is too strong a phrase to use with regard to the crisis of national unity which we face. I do not believe so, Sir, but I am interested in the survival of Canada, not in the political survival of the present government.

The resolution the government has placed before us should do more than to ask us to dedicate ourselves anew to Canadian unity—it should challenge us to take bolder moves, to examine all possible alternatives to create institutions that will ensure that unity. We must not only work but we must be seen to be working at federalism. And we must do it in this House! Let the government give us the forum—the committee—and we will get on with the job.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Bussières (Portneuf): Mr. Speaker, I have decided to open my remarks on the motion proposed by the right hon. Prime Minister by quoting a very short passage of a speech of Mr. Gordon Robertson, which shows very clearly the difficulty many people in this country have to feel like Canadians. Mr. Robertson said that over the years French Canadians have realized that English Canadians were not great enough to negotiate with them on equal terms, to acknowledge them as a community that deserves all our respect, to give them their rightful place in all areas of activities of our Canadian society. They have found out that we were unable to establish with them, even within the province of Quebec, relations based on dignity and respect. This brief quotation is taken from an address delivered by Mr. Gordon Robertson, Secretary to the Cabinet for Federal-Provincial Relations, during the graduation ceremony at Dalhousie University on May 12.

This finding of Mr. Robertson had already been repeatedly echoed in the report of the Laurendeau-Dunton Commission. It has been expressed in many ways throughout the history of Quebec and of Canada. Its more acute expression, which caused the greatest shock to Canadians, was undoubtedly the election of the Parti Québécois. The election of the Parti Québécois was not merely a rejection of the Bourassa government in Quebec, it was also an end result and a crystallization of the profound feeling of inequality on the part of French-speaking Canadians of Quebec. The slogan of Mr. Lesage "Masters in our own home" and that of Daniel Johnson, "Equality or independence" were not just electoral catch phrases. They were the evidence of a collective will to be recognized as equal partners in a country that too often just tolerated them.

Mr. Speaker, are we as a country driving down a dead-end street? Have we reached a point where there is nothing more to be done? If we answer yes to these questions, it will be because we will have let fatalism, fanaticism or prejudices preside over the decisions regarding the future of this country. Why not build this future and define this country on the basis of tolerance and generosity? If we can be filled with tolerance and generosity, then the question lies as to how we must build this future and define this country. I will try, Mr. Speaker, to answer this question by a few suggestions.

The first point to which it is always important to come back is that of the basic equality of the two languages and the two cultures, French and English, all across the country. It has become common place to speak about bilingualism in this country and some remarks made today in this House lead us to doubt that this objective can ever be reached. Quebecers have always accepted the principle of co-existence between English- and French-speaking Canadians and that in a spirit of equal rights, mutual respect and dignity. However they know, and history proves it, that this principle has not been applied to them. If a French-speaking Canadian feels as a stranger outside Quebec, how can you expect him to feel attached to this country? If the French language had been granted in the rest of the country the recognition and the rights granted by Quebec to the English language, we would not be debating today the question of national unity. If all political parties had fought to support the policy of bilingualism that was drafted in the wake of the studies of the Laurendeau-Dunton Commis-

sion, we would probably not be debating today the issue of national unity.

Mr. Stanfield: That is not true!

Mr. Grafftey: You are dreaming in colour.

Mr. Bussières: It is you who is dreaming in colour.

This equal status for the French language and culture vis-à-vis the English language and culture is not yet a fact in this country. This equality is even fought by people who are sitting in this House, Mr. Speaker, by those who claim that this is not true. The efforts towards bilingualism have been questioned so many times. One feigns to agree on its principle but disapproves of its application. The millions of dollars spent are a pretence to demonstrate that the application is quite inadequate. Injustices against a few civil servants are a pretence to demonstrate that the application is out of tune. These are specious arguments, Mr. Speaker, so specious that they are not even clever enough to take the hypocritical disguise of sophism. The Leader of the Opposition was saying this afternoon that bilingualism is a dividing factor more than an unifying factor. This is an assertion which is too gross, Mr. Speaker, to be taken for a sophism.

For God's sake, we must go on investing millions of dollars for bilingualism. It is the price that we have to pay for the past stupidity and the past injustice. All hypocrites should stand to be counted. All those who believe in principles should accept the challenge of their application. It is unbelievable that after the claims of the 60s and of the 70s one is still reduced to go to court to be given the right to work in French, as is the case for the Air Canada employees in Dorval. It is unbelievable, Mr. Speaker, that one has to count on the fingers of one's hand the members of this House who were courageous enough to denounce the racism and fanaticism of the people from CATCA and CALPA when we were confronted with the crisis on working language in air communications. I am proud, Mr. Speaker, that these members are sitting on this side of the House.

Quebec Bill No. 1 has been readily mentioned lately with regard to bilingualism. How unwise, and above all, how stupid to put forward such an argument. Even after the adoption of Bill No. 1, no French-speaking minority in Canada will be able to boast of having an education system as comprehensive as the one provided to the English-speaking minority in Quebec. I too, Mr. Speaker, regret some provisions of Bill No. 1. However, I would feel much freer to oppose them if I could give examples of generosity towards the French outside Quebec, as we can boast of our generosity towards the English-speaking community in Quebec. The debts of history always manage to catch up with their creditors. We have now to pay the price, or rather to repay the debt of a century-old failure, a failure due to the obtuseness, the meanness and the quiet equanimity of those who form the majority.

Let us recognize that both languages and cultures are equal, let us be tolerant and generous and show all French Canadians that Canada is their country. Mr. Speaker, I would now like to deal with the second series of prerequisites for Canadian unity: constitutional reform. Mr. Speaker, the Canadian people never had the opportunity to state their wish to belong to this country. The Canadian people never had the opportunity to speak out for their political institutions. The Canadian people never had the opportunity to speak out for their constitution. The Canadian people never had the opportunity to define themselves. This has been done for them in time and by circumstances. After having accepted equality, I believe that the national unity crisis will have to be solved through a process which will enable all Canadians to identify themselves with their country, their institutions, their constitution. I also believe that this process must finally provide an opportunity for all Canadians to speak out through a plebiscite for these institutions and this constitution.

What should that process be? I believe it cannot consist merely of the joint committee suggested this afternoon by the Leader of the Official Opposition. In my opinion, it should take the form of a constitutional conference different from the federal-provincial conferences we have known in the past. That conference should bring together members of the Senate, members of all parties in the House of Commons, members of all parties in every provincial legislature, and members of the Yukon and Northwest Territories Councils.

Those parliamentarians should be joined by citizens who have demonstrated a particular interest for the Canadian unity issue. That conference should be called by and report to Parliament at the end of its study. Parliament would act on the report of the conference. First the conference should consider how Canadians can identify themselves with their country; second, it should study Canadian political institutions; third, the Canadian constitution and, lastly, a formula to allow Canadians to approve by plebiscite their institutions and the constitution.

It is startling to note to what extent Canadians know nothing about their country and it is also dramatic to note how Canadians are ignorant of each other as a group. How is it possible to understand people whom you do not know? How is it possible to love a country you know nothing about? We should see to it that every Canadian knows his country, that Canadians from all areas have an opportunity to know each other. I think that is the starting point of Canadian unity.

The conference should also consider as a second point our political institutions. We now have a national flag, a national anthem, but we have to Canadianize other institutions. The symbol of political institutions could be a factor of unification. But citizens must see their own image in that symbol, identify themselves with it. We must make efforts so that our political institutions reflect the present reality and those institutions must bring together all Canadians.

If we put aside the issue of equality for English and French and concentrate on regional disparities, transport, power sharing, we realize quickly that the frustrations of Quebecers are not different from those of westerners or Maritime residents. What is needed in Canadian political institutions is a mech-

anism allowing all regions as such to put forward their views and their aspirations.

The third point the conference should consider is the constitutional review. That study should deal first with patriation of the constitution. It is urgent, Mr. Speaker, that Canadians have a constitution which belongs to them. A modern country like Canada can no longer tolerate that the main text of its constitutional documents should be abroad. We must patriate the constitution forthwith, find an amending formula, add to it provisions recognizing the equality of the French language and culture and the English language and culture.

In the area of constitutional review the conference will have to study the existing provisions, clarify the grey areas as much as possible while at the same time avoiding the trap of decentralization. Decentralization is not, in spite of what some say, the cure-all to the breaking apart of Canada. On the contrary, to keep this country united, the central government must have enough powers to act on the economy, it must have enough powers to distribute wealth in this country. Finally, Mr. Speaker, the conference will have to consider and suggest to Parliament a mechanism that would allow all Canadians to have a say on the recommendations in their report that Parliament would keep in the area of political institutions and the constitution. That mechanism of a constitutional conference might seem cumbersome and the subject of their study, utopian. However, the present state of the crisis should motivate the people who will make it up to do whatever is necessary to achieve such an objective in a relatively short period of time.

In conclusion, I would like to reaffirm my faith in this country, say that the many examples of tolerance and generosity that can be seen every day are a guarantee that the basic attitude of Anglophones vis-à-vis Francophones is going to change. It is that change in attitude which is going to save Canada. It is the tangible manifestation of that equality which is going to save this country. It is not through fear of economic problems that Quebecers will remain Canadians, but when they have proof that they are first class citizens of this country, when they are given institutions and a constitutional statute that will define them and give them a sense of belonging. I wish this were the objective of every member in this House.

● (2040)

[*English*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in approaching this debate of such great national significance this afternoon and this evening, I suppose few of us remain immune from the thrust of our own respective ridings.

[*Translation*]

Mr. Speaker, I represent in this House the constituency of Brome-Missisquoi. I would first recognize that because of our historical, sociological, etc., revolution, we have what I have always called a true spirit of national unity. As I said many times, our area is 80 per cent Francophone and 20 per cent Anglophone, and there is to be found a true spirit of unity. As everyone knows, Brome-Missisquoi is located in the Eastern Townships. In the past, the Eastern Townships gave the Canadian people and Canada a great prime minister, the Right Hon. Louis St. Laurent.

Mr. Speaker, I will indicate quite frankly, tonight in this House that I myself voted twice for that true Eastern Townships gentleman.

[*English*]

I repeat—

An hon. Member: Welcome back.

Mr. Grafftey: Not today, I am afraid, not today. I voted for the late Right Hon. Louis St. Laurent, once the prime minister of my country, twice. He typified the part of the world I come from where, because of our historical and sociological evolution, French speaking and English speaking Canadians live side by side in national unity. I find it hard to talk too much about it in the House tonight. We do not talk much about differences between French speaking and English speaking Canadians or national unity in my part of the world because we live it. It is deeply felt and deeply lived in our aspirations for Canada.

● (2050)

[*Translation*]

Indeed, Mr. Speaker, Mr. St. Laurent spoke French with his father and English with his mother.

[*English*]

We know the origins of Louis St. Laurent and that he spoke to his mother in English and to his father in French. What would he do today? He would take René Levesque and the Prime Minister (Mr. Trudeau) into the woodshed and give them a damned good licking. That is what he would do.

Some hon. Members: Hear, hear!

[*Translation*]

Indeed, Mr. Speaker, we have in our great and young country two official languages and many cultures, as has been suggested many times in this House.

[*English*]

When I first came to this House of Commons, Mr. Speaker—perhaps too many years ago in many ways—the right hon. member for Prince Albert (Mr. Diefenbaker) as Prime Minister helped bring those whose ancestors came neither from the United Kingdom nor France, into the mainstream of Canadian life. Once again, whether we like it or not, because of the actions of this government, those people feel that their legitimate aspirations in the mainstream of Canadian life are continually ignored.

[*Translation*]

Mr. Speaker, the great speeches made in the House of Commons, the great speeches of statesmen like the Prime Minister (Mr. Trudeau) that's all very well—

[*English*]

I know that in debates like this one tonight it is not good to dig up history, but I am going to lay a few facts on the table. It

is fine to hear the Prime Minister talk about national unity in this House of Commons, but I am more interested in what his minions say at the grassroots when they get back home.

I remember when the right hon. member for Prince Albert was Prime Minister of this country, some Liberal notable said, "We are going to destroy him." What did they do in my province? They said he was anti-French, anti-Quebec. Now they wonder why they have a divided country, yet they come and plead in this House to make this a bipartisan issue. That is pretty hard for those of us who have heard—

[*Translation*]

—the Minister of State for Urban Affairs (Mr. Ouellet) say that he has found on many occasions in my province that the party which I represent here is anti-Canadian, anti-Quebec, anti-French. That's all very well to say that in Quebec, but it is a different story to make a point as statesmen must do before the House and the press gallery. We are here to state the truth and to find why my country is so divided today.

[*English*]

Between 1957 and 1963, Mr. Speaker, I heard the Liberal machine attack the right hon. member for Prince Albert in my province, saying he was anti-Quebec, anti-French.

[*Translation*]

Well, in the great speech he made in the House of Commons, the Prime Minister suggested that all members should cooperate, but in Quebec, he and his ministers, the Minister of National Health and Welfare (Mr. Lalonde), the Minister of State for Urban Affairs (Mr. Ouellet) claim that the only federalist party is the Liberal party and that to preserve Canada, we need the Liberal party. This was stated on several occasions in my province, but in the House of Commons they think that the country will be united after a two-day debate. That is not true! It is absolutely incredible!

[*English*]

It is all very well for the Prime Minister to come to this House this afternoon, read a speech—and I give him a C minus at the freshman level of university for it—and then fly out of the House while his minions in my province preach the worst kind of disunity, saying the only federal party is the Liberal party, and the only way to save Canada is to vote Liberal.

[*Translation*]

If Canada is divided today, it is because for the past ten years, there has been a policy for the Francophones and another for the Anglophones.

[*English*]

Someone who spoke before me said that after ten years of the present government, asking the Prime Minister to save the country now is like asking an arsonist to put out a fire.

An hon. Member: Oh, oh! What a good line.

Mr. Grafftey: It is a pretty good line. The way the Prime Minister is handling the national unity issue makes Mackenzie King look like a statesman on the conscription issue. I well remember meeting the Prime Minister in a television studio during the election campaign of 1965. I have known him personally for years and was a great admirer of his—as I still am in many ways. After we both arrived in Ottawa we would sometimes have coffee together in the cafeteria, as many of us do. We would sit there talking, in the days before he was even named parliamentary secretary to the then Prime Minister, the late Right Hon. Lester B. Pearson.

I do not claim that I was speaking for my party at the time, but a couple of years before Expo I suggested that we needed a modern constitution, suited to modern times, suited to Canada for Canadians. I felt this not only because we had gone through the quiet revolution in Quebec but because I was firmly convinced that while it could be argued that in many ways the British North America Act was flexible enough for modern needs, I perceived it was not. The problems we face today did not exist in 1867. I talked to him often about the necessity for a modern constitution, made in Canada for Canadians, by Canadians. He rejected that out of hand. He said he had come here to settle a few scores and that the British North America Act was flexible enough for our needs, and that was that. I wonder if he feels the same way now, ten years later.

Even if he did feel the British North America Act was flexible enough to adapt itself to contemporary needs, why has he for ten years confronted the legitimate aspirations of every region of my country? Is that not one of the major reasons for division in Canada today?

An hon. Member: Have you read the Victoria Charter?

Mr. Grafftey: I can read the Victoria Charter as the hon. member can.

[*Translation*]

But anyone can read the Victoria Charter, the speeches, the Standing Orders, one can read anything, it is the actions that count, it is the attitude, it is the sense of understanding that count. I can read the Victoria Charter as well as the hon. member.

[*English*]

This afternoon my leader, seconded in a great speech by the hon. member for Kingston and the Islands (Miss MacDonald), put the proposition before the government that you can name task forces, you can talk, you can do anything you want, but unless a joint parliamentary committee composed of all parties in the highest forum of this land can be brought in a bipartisan way into the national unity debate, there will be trouble—real trouble. I say, you should not exclude us on this side of the House. Some will say I am partisan, but I find it strange that the Prime Minister should have delivered a poorly read, high school oration in the House this afternoon, and then flown off to the west coast. That was his total contribution.

• (2100)

An hon. Member: He has a schedule to meet.

Mr. Grafftey: I don't care. This is an important debate and he should be in his place.

Mr. Breau: He is busy with his duties.

Mr. Grafftey: I did not schedule those. If he is serious about this debate he should be in his seat. I say, if the Prime Minister and his party make this a partisan issue by excluding members on my side of the House from such a parliamentary committee, we shall be in deep trouble. I believe, as speakers before me have said, that the highest body in this land should have something concrete, constructive, and ongoing to say about keeping our union together. My position is the same as it was ten years ago, and I say the government should accept the amendment right away. Since the Prime Minister is not present, perhaps someone else on the front bench opposite can rise and, in a spirit of bi-partisanship, say, "The government accepts this amendment."

I say to the Prime Minister and his minions, you do not have to be a Liberal to be a good Canadian.

An hon. Member: Oh! Come on!

Mr. Grafftey: "Come on," says the hon. member. That is how many of us feel.

An hon. Member: I thought you said you didn't care.

Mr. Grafftey: I quit your party, after having been a member of it for five years in the province of Quebec, because I discovered that the Liberal party says, "The Liberal party first, Canada second." I joined a party which says, "Canada first, the Progressive Conservative party second." Let us have a little more national unity and a little less Liberal unity in this country. I believe, for the good of Canada, this parliamentary committee must be established.

[*Translation*]

An hon. Member: You are a clown.

Mr. Grafftey: Agreed, but to be a clown, one has to be a Liberal!

I feel we should have such a joint committee of the House of Commons and the Senate, with members from all political parties and not only from the Liberal party. We must have such a committee here in the largest forum in Canada. Mr. Speaker, I am not speaking necessarily for my own party but as a member of parliament, and we have the opportunity to really speak out tonight and tomorrow. Therefore, I hope that after the next election, the new government will call a great constitutional conference with the participation of every province and political party, in order to draft a constitution made in Canada, by Canadians and for Canadians.

[*English*]

We are here, putting our constructive thoughts forward.

Mr. Munro (Esquimalt-Saanich): Why not?

[Mr. Grafftey.]

Mr. Grafftey: Surely the government House leader believes we must set up a joint parliamentary committee to examine the subject matter. How in the world can you exclude members on my side of the House from this ongoing discussion, unless the Prime Minister wants to make it a partisan issue?

Mr. Munro (Esquimalt-Saanich): Of course he does.

An hon. Member: You heard him, didn't you?

Mr. Grafftey: Mr. Speaker, I want to see action, not speeches. Let the Prime Minister put his actions where his mouth is and convene an all-party, joint parliamentary committee to examine this question. Otherwise how could it be a non-partisan examination?

Some hon. Members: Hear, hear!

Mr. Grafftey: Because of present conditions in the country I get letters, as I am sure other members do, asking what I think about special status. I will tell you what I think. Far too many politicians at both levels of government have been bandying the word around irresponsibly. What do I think of special status for Quebec? I do not. I think we are a country of many regions. We all have our special aspirations within this great federal union. We all have our special problems. I suppose that in Saskatchewan the fisheries problem is not the same as it is in our coastal regions.

Let us be forthright and responsible when we talk about special status or ask questions about it. It is incumbent on those in public life at all levels of government to use language responsibly, especially when there are not literal translations for certain phrases d'une langue à l'autre.

I have been concerned over the years, when discussing the question of national unity, with the notion that we must have either/or, that you cannot have strong provinces and a strong federal authority at the same time. The Prime Minister and his supporters often say it must be either one or the other. He tells Quebecers they must settle either for the status quo or for Lévesque. They have no other choice. If that confrontation continues much longer, we shall be in deep trouble. There is another choice, a responsible middle ground which cannot be called a compromise.

The Prime Minister delivered an incredible speech in the House this afternoon, eight months after the November 15 election, a speech for which, if I were a professor at McGill and the Prime Minister were a freshman, I would give a C minus. I will say now, and say over and over again, I am sick and tired of hearing it said that those who do not accept the Liberal option are second class Canadians.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman whose allotted time has expired.

[*Translation*]

Hon. Jean-Robert Gauthier (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, first of

all I would like to remind the hon. member for Brome-Missisquoi (Mr. Grafftey) that he heard, as well as I did, the right hon. Prime Minister telling the House that he had been called to Vancouver to meet the president of Germany and that this trip had been planned several months ago and that this debate was postponed until this week to accommodate the NDPs who were holding a convention last week. So you should at least be honest about those things.

Mr. Speaker, unity does not mean uniformity. Despite everything that distinguishes us, we must seek, find and develop the links that unite us. We will have to find a middle ground towards a new federalism, seek and find our own identity and build a country upon our common resources. We will have to build a country based on equity and understanding, justice and equality. This equality cannot be based on the balance of numbers. It will have to be based on a definition of this Canadian society which will be tolerant and respectful towards minorities, whether they are linguistic, cultural, social or economic minorities.

It took an electoral victory on November 15 last to make many Canadians consider the separation of Quebec as a threat and to force them to reassess our confederative pact in the light of the important part the French-speaking group has to play. We will have to define what we want, what we hope to find to ensure the existence of a united country where all classes of society, from the richest down to the poorest, can live fully and have their share of the tremendous wealth of our national heritage in every area, whether cultural, social or economic.

In 1963, Mr. Speaker, the Royal Commission on Bilingualism and Biculturalism stated the following: "Canada, without fully realizing it, is going through the greatest crisis in its history". Needless to say that this warning left most Canadians a little puzzled and sometimes unconcerned. The anglophone press namely overreacted to the comments of the authors of the report, as evidenced by its question: "What does Quebec want?"

Things have changed and this change came about in some cases by means of political violence, educational conflicts in several provinces, through a failure to understand the objectives of institutional bilingualism, regional and provincial opposition in linguistic matters at the local level and the gradual rise of the Quebec identity which now exists, Mr. Speaker. All that have led to the present debate on Canada and national unity. If I speak a bit sharply, Mr. Speaker, it is because I feel somewhat distressed. I think it is the word that sums up all others and the only one that can reflect the fears expressed by a group to which I belong and which, in my case, is the Francophone minority of Ontario.

Recently, speaking at the opening of the conference on the future of our country entitled Destiny Canada, Georges Ramsay-Cook, a history professor, said, and I quote:

> The Canada of 1867 was a nation composed of areas whose inhabitants wished to preserve their own identity within a common Canadian framework.

Professor Cook stresses the fact that this dual allegiance exists in all areas and, still according to him, there is no doubt that all Canadians, regardless of their area, cultural group, class or sex, refuse above all to be condemned to that permanent minority status and want Canada to give them the possibility of achieving relative equality. If a society is to be judged by the way in which it treats its minorities, whether linguistic, cultural, social or economic, the sense of equity, freedom and equality will have to be awakened in Canadians. We can no longer continue to witness, like helpless spectators, the deterioration of the situation, the tearing to shreds of the national fabric.

English Canada will have to be perceived in its actions as being big enough to deal with Francophone groups on an equal footing and recognize in them communities worthy of its respect and of assuming the place that is rightly theirs in every sphere of activity. That challenge will have to be met, Mr. Speaker, while asserting ourselves individually and collectively, and also respecting the rights of our fellow citizens of other origins. For some in the English provinces, that requirement does not seem essential, considering all the injustices that French-speaking Canadians have been subject to since the beginnings of Canada. If the famous question "What does Quebec want?" becomes as enigmatic as "What will happen in Quebec?", we are obviously facing a disquieting and disconcerting situation. What will happen in Quebec will be determined as much by what will happen in the other provinces in the next few years. Let us hope that the poor record of the English provinces to date will not prompt some to find other Plains of Abraham.

● (2110)

After 110 years, is it not appropriate to look seriously at past mistakes in order to correct them and build a country within which differences are considered an asset, a positive element and where experience serves to eliminate injustice? Of course, we need a new formula since after 110 years one of the partners is talking about separation or even divorce. What worries me about the possibility of separation with economic association, is not the sharing of assets or the financial settlement, but indeed who will be responsible for Lord Durham's heirs. Yes, what will happen to the linguistic minorities if Quebec separates from the rest of Canada? Some claim they will soon be assimilated. Others, that they will be used as hostages by both French Quebec and English Canada. Personally, I feel that chances are that we, the Canadian minorities, will become the Palestinians of North America.

As early as 1912, French-Canadians faced the same problem. Monsignor Langevin, a bishop from western Canada, opened the French Language Convention held from June 24 to 30, 1912, with these words, and I quote:

> As far as we are concerned, no one has the right to stop the French-Canadians at the boundary of the province of Quebec and tell them: Beyond this line, you are no longer at home . . . We are at home everywhere in Canada.

Mr. Speaker, those words still apply today. As I said earlier, we must study the matter from the point of view of the errors made with a view to correcting them, rather than dreaming up grandiose schemes or rely on more or less theoretical and often emotional formulae on national unity. Over the past ten years,

institutional bilingualism and what it is supposed to achieve or provide for Canadians has been sufficiently promoted, it is now time to try to convince all Canadians that they have equal opportunities for self-fulfilment on cultural, social and economic levels, individually as well as collectively. There is a wide margin between institutional and individual bilingualism.

One of the greatest assets of Canada is the heritage bequeathed by two nations with different cultures and languages. On the other hand, I believe that the contribution of the other ethnic and cultural groups is an enrichment for the two founding nations. Canadians must become more tolerant and understanding. How many times, alas, have we not been aware of racial and cultural discrimination? And this always against minorities. What can be done? The rate of assimilation as far as my group is concerned, the French Canadians outside Quebec, is frightening. I note with concern that according to the 1971 statistics, 27 per cent of French Canadians have made a linguistic transfer and joined the majority group.

I have in hand the document from the Francophones outside Quebec, entitled: "The heirs to Lord Durham," and I quote:

> Comments. The trend is very clear. The regression of the French-speaking groups is dramatic. Nearly half a million Canadians of French origin do not have French as their mother tongue any longer: this is an almost irreparable loss.

This paper is, I think, well written and easy enough to read to make any willing listener understand that the situation is a critical one, a difficult one, a really dangerous one for Canada, my Canada, our country, Mr. Speaker. The rate of assimilation, as I said earlier, is accelerating to a critical point. French as a national language is in process of being relegated to the level of folklore and that, in seven Canadian provinces. Provincial bilingualism exists only in two Canadian provinces: Quebec and New Brunswick. All that is needed to understand the extent of the problems and the challenge that has to be taken up, is to read this document. If the existence, the survival and the promotion of Francophones outside Quebec does not become a Federal and other governments' priority, within ten years we will not have to be concerned about a bilingual Canada and even much less about a united Canada.

It is said in that particular document that 71 per cent of French-speaking Canadians outside Quebec will be assimilated by 1991. What will happen? We are going to die! We do not want to die and we will survive because this government, this Parliament will ensure to minorities in this country the respect and equity they are entitled to. As a matter of fact, in almost every province, these minority groups are represented through their provincial organization, whose role with governments is to let them know what the expectations of their members are. The financial resources of these organizations are not sufficient because of their very minority status and the relatively small number of their members. Up to now, the federal government have had a totally inadequate budget for supporting the work of these organizations. The provinces have only made token contributions to them. Therefore, without voluntary work, fund-raising campaigns and, let us admit it, the great dedication of these French-speaking Canadians, these minorities would soon disappear.

[Mr. Gauthier (Ottawa-Vanier).]

Canada has an identity of its own, unequalled among other countries: a nation with two international languages and several cultures, which can work together because of their heritage and traditional features to produce results of the highest quality. Canada has a third important group in addition to French or English-speaking citizens: I am referring of course to our native people for whom we must show a lot of love, understanding and respect. They are entitled to retain their language, their traditions and their culture. I am referring as well to those Canadians who have deliberately left their country of origin to find a better place to live and a more promising future. These people have personally decided to adopt a new country.

It is true that many of these new Canadians, after deciding to settle down in this country, have generally chosen to speak English. It is also true that immigrants have not always been made aware of the presence of French-speaking Canadians nor have they been confronted with the French language or culture. For reasons which are easy to understand, the Canadian reality will have to be better explained as far as the official languages are concerned, so that they can choose to belong to the language group which seems most natural to them. We should no longer tell immigrants that Canada is an English-speaking country. We should not have them believe that the French language is only spoken in Quebec but we should explain to them that French and English are the official languages and they are considered equally by the Canadian people.

Mr. Speaker, if in the future, immigrants can only choose between French Quebec and English Canada, that would contribute to strengthen the false argument concerning the balkanization of the French language in Quebec while the English language is spoken in the rest of Canada. This argument today is called "separation by attrition".

Mr. Speaker, I would like to suggest a few changes. I believe they are necessary: first in addition to a commitment to federal institutional bilingualism, all provinces should as Quebec and New-Brunswick already do, offer public services in both official languages. Our constitution needs to be rejuvenated. It should include for one thing a declaration of fundamental human rights and liberties. Each province should also adopt a charter which would respect the rights and liberties of its linguistic minorities and be liberal toward them.

Provincial governments are partially responsible for achieving goals of linguistic equality. All Canadian provinces without exception must ensure basic rights to education and must recognize and support by legislation the right of their citizens to be educated in one or the other official language. Moreover, provinces must encourage people to learn the other language and allow them to become bilingual if they so wish. The federal government should call on the provinces to clearly state within a year their intentions concerning the education, the rights and the matter of public communications of their French-speaking minorities. In all provinces there should be at least the right to live in one's mother tongue, the right for parents to have their children educated in the language of their

choice when justified by number, the right to communicate with government and public agencies in the official language of their choice and the right to argue in court in one or the other official language.

In order to assist the provinces the federal government should offer them all legal and financial assistance needed. The situation in my opinion is so critical that if the provinces should positively refuse to do that, I would seriously consider the use of federal powers provided in section 91 of the British North America Act and for reasons of peace, order and security, to put under the protection of the law those minorities which are so essential to my country.

Second, it is essential that a public body consisting of a representative cross section of society be set up to consult with the people on the future of this country. The Prime Minister has proposed a formula and I agree with it.

Third, given the importance of the group and its need to exist in a united Canada, I believe it would be necessary to set up a national board responsible for the promotion, survival and development of the French-speaking communities outside Quebec. I am convinced and I believe, Mr. Speaker, that this board should report to the Prime Minister and, through him, to the House of Commons. The board would have to consult in order to work out concepts, plan and obtain approval for the programs required for the survival and development of minority groups.

Fourth, the Secretary of State should be immediately reorganized so as to foster the implementation of programs. The existing mechanisms set up following the decentralization and regionalization of that department will have to be reviewed. The minorities were not prepared for that, Mr. Speaker. They have been badly served in the last two or three years. The maturity of the minority groups and their mutual needs are so different that it was doing them a bad turn to expect them to take advantage of an organized regionalization or decentralization to meet the government standards which could not meet the needs of the flagging communities.

Fifth, the federal government and the provinces must absolutely give a new direction to their budgets to balance the survival chances of the linguistic minorities, more particularly the French-speaking minorities outside Quebec. What about a linguistic policy which seems to favour the English-speaking majority through a program called institutional bilingualism and which cost $300 million, when this minority group got only 1 per cent, that is $3 million up to this year? The government increased those credits to $6 million this year, and I think it was about time.

Sixth, we will have to bring the Canadian constitution back, but in the meantime we must get the heart and spirit of Canadians back so that we can write a social contract taking its inspiration from and reflecting our common expectations and wishes, free from any past illusion and based on respect, equity, and particularly fraternity between the groups.

Seventh, we have to review all our statutes at the municipal, regional, provincial and federal levels in order to put an end to those many frustrations which offend and annoy us continuously, Mr. Speaker. I think for instance of the simple fact that a French-speaking person who lives in Ontario, like myself, cannot write his will in his mother tongue and have it registered. This is not legal. I think of the Air Canada case. I think of the Forest case in Manitoba. I think of the Filion case in Toronto and of a great many other cases, Mr. Speaker. We will absolutely have to review our statutes to do away with injustice and frustrations.

To conclude, Mr. Speaker, I would like to read something which is fairly important in my constituency. It is a text written by someone who works in an area which I consider very important, namely children education. She wrote a creed for children. Her name is Mrs. Betty Nickerson, national coordinator of the All About Us/Nous Autres movement. I read this creed: We all come from somewhere, we chose Canada by adoption. In our cultural baggage we have the experience and the wisdom of the world.

Those choice morsels, chosen among the sterling values and traditions of our various peoples, we offer them in tribute to our new homeland. We leave behind us wounds, wars and famines. We live here in a vast and generous land, filled with challenges to be met. The ingeniosity we put forth in meshing our various cultural elements will help us develop an identity throughout this phase of our growth, and throughout our lives. Each one of us, within his own confines, will add a flash of colour to the Canadian mosaic. How are we going to fit all those pieces together? There lies the challenge. And that, Mr. Speaker, was written for children. I pay tribute to Mrs. Betty Nickerson.

• (2120)

[*English*]

Mr. Jack Murta (Lisgar): Mr. Speaker, the preceding speaker spoke of love, and I suppose we shall need lots of love in this country if we are to make our way through to the 21st Century. I should like to talk tonight about some of the facts as I see them in Canada. Occasionally, and only occasionally, do we have a chance to speak in this House about the objectives and aims of the part of the country from which we come, not necessarily our own constituencies but the regions from which we come to represent people in the House of Commons.

I can quite understand the feelings of some of the comments of the hon. member from Quebec who spoke before the last speaker. I come from a part of the country which, frankly, at the present time feels misunderstood and is tired and frustrated coping with what seems to be an ongoing problem of Confederation. We in the west believe that while Quebec must play a part in Canada, that part must be kept in the proper perspective.

Canada is not so much a bilingual country with hyphenated English-Canadianism or French-Canadianism at it is a multicultural country composed of people of many different racial origins who, I believe, want nothing more than to be known as Canadians. The feeling in Canada as we move at times almost

deliberately to pit one race against another is growing indifference and, in far too many cases, growing hostility. The reality is that Canadians do not understand each other. Perhaps our country is too large or too diverse, or perhaps we are all too preoccupied with making a living to really care. Or perhaps we are all victims of a prime minister who, for the last nine years, has been concerned solely with political survival.

Central Canada has spent the last half century producing people who are not British, who are not French, but are simply Canadians. The same process has been going on in Western Canada only for the last two decades. Western Canada has a different vision of this nation from the vision which central Canada holds. It arises from a different historical experience and perspective in Canada.

● (2130)

The settlement patterns of the east, New France, the maritime colonies, the Acadians and the Loyalists of Ontario were groups of people who settled, struggled, endured and finally, with a lasting tenacity took hold and survived. The roots are deep, unchangeable, unique and crystalized. From this pattern of accepted and established differences has come the concept of Canada as a bilingual and bicultural nation.

In the west the settlement pattern was not one of roots but rather waves, with each successive wave—Indians, French trappers, Scottish settlers, Hudson Bay Company employees, Ontario settlers, and European immigrants—inundating and sweeping over the former. This pattern produced, when the European homesteaders were gradually absorbed, a diluted pan-Canadianism, an optimistic vision of a country from coast to coast and a group of strangers who suffered great hardships, were forced to intermix and ultimately to grope toward a new awareness of themselves and their place in a new Canada.

The people of the west, the sons and daughters of those long trainloads of European immigrants, brought the vision of Canada peddled at the turn of the century. They believed in the unity of this country. They were certain that it was indivisible, that it had a destiny, and they were determined to build it. This concept or notion of one Canada seems to be out of fashion today. The federal government has launched a concept of duality. Everything now is divided into two—English-French, Canada-Quebec, Trudeau-Lévesque. Splitting or dividing has become part of the national fabric, and the people of the west, whose historical background led them to support an antiquated pan-Canadianism, find themselves trying to cope with a new official duality.

Suddenly Canada is two parts, each part fighting to secure its own position and power. The sons and daughters of those European immigrants find that they truly belong on neither side, conveniently forgotten in the fray. They are not French. With their strange last names, their family pasts and their older generations, they are not quite English either. In the growing division, they seem not to belong. With a sense of frustration and confusion, they argue using the old terminology. "We are Canadians", they say, hesitating to select the arbitrary French or English designation before the term.

[Mr. Murta.]

At the present time in Canada there appears to be no place in our national life for this vision held by the west. It appears hopelessly out of date—a remnant from a time when Canada was a young, enthusiastic nation. The eastern vision of Canada is one of duality. Certainly at the present it appears, on the basis of numerical superiority alone, that this vision will triumph. But out west where people feel isolated and removed, where they feel thrust out of the stream of national life—while the Quebec crisis consumes its second decade—there is a feeling of frustration, anger, sadness, and defeat.

Initially the people of the west were receptive to bilingualism, because they were told that it was the price to keep Canada together. Their belief weakens as Quebec drifts toward separation and a diminishing respect for the Canadian confederation. It is my opinion that the people of the west will, for the foreseeable future, be charged with bigotry. They will continue to be described by their own Prime Minister as ignorant rednecks, swearing at bilingual labels on cereal boxes. Their concept of one Canada will inevitably be read as an attempt to impose standardization on all Canadians, to assimilate all cultures and languages, and to force all minorities into one mold. It is not that simple. In reality the people of western Canada earnestly desire that every Canadian, whatever his language or culture, should feel some commitment to his country, some respect for its institutions, and some faith and trust in its future.

For anyone who takes the time to know and understand the people of the west, you will find them generous, frank, optimistic, and loyal. Today they are confused, afraid, skeptical, and isolated. If the federal government could only treat the west as part of this nation and make a serious attempt to explain to them the necessity for its actions, the whole national fabric might be a little bit closer, and a little warmer.

Of all the areas in Canada the west would be most receptive to changes in the structure of Confederation, but the extent of such changes must be carefully studied before they are agreed to. We cannot give away all our heritage and forget all our past in an effort to preserve a territorial unity which may prove to be incapable of preservation. Rather, we must see how far we can go without losing the identity we have now. If we go beyond a certain point, we are no longer Canada. If, as we believe, there are millions in this country who want Canada to remain in being, then we must be ready to pay a price. If we must pay that price, we must also be determined that Canada will continue to exist as a country.

We have a future if our desire, dedication, and sense of nationhood are strong enough. All parts of this country must be represented, all parts of this country must be listened to and understood.

Some hon. Members: Hear, hear!

● (2140)

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, we have been hearing a lot about separatism since the Parti Québécois victory in November. Allow me to make some

observations on this matter of national unity. The importance of this subject to us all can scarcely be exaggerated.

I think if the English speaking world keeps telling the Parti Québécois, in their struggle for the future hearts and minds of the Quebecers, that they cannot make a go of it economically without us, it may only stiffen their resolve to have a try at it. We must remember that Quebec with its some six million people is, by the standards of the countries that belong to the United Nations, far more populated than most of them and, of course, has much greater territory. Norway, for example, is a well respected country with only four million people.

It may be that economics will defy René Lévesque's siren song of separatism and that it might founder badly on economic shoals in terms of fearful economic cost to the people of Quebec, as I would guess would likely be the case. A 1971-72 study showed Quebec received a surplus of $600 million from the federal government. André Raynault, a past president of the Economic Council of Canada, estimated some months ago that Quebec was now receiving about $1.5 billion more than it gave to the federal government; and we all have read that on February 25 the Quebec government released a study which purports to show that between 1961 and 1975 the federal government collected $4.3 billion more from Quebec than it spent in that province. The accuracy and implications of these figures will be debated for months.

The notion though that Quebec has nothing to offer in economic advantages except cheap labour and natural resources is, to say the least, exaggerated. The market of that province is now rich and sophisticated. The work force is, for the most part, more skilled than that in the Atlantic provinces, and certainly no longer cheap. I would guess that the indigenous capacity for innovation in technology is as great as anywhere in Canada.

Of course, the Parti Québécois is banking a good deal, so far as the economic aspects of its strategy for selling separatism are concerned, on the continuance of a Quebec-Canada customs union. One cannot, in fact, be sure that an arrangement of this sort would be attractive to English speaking Canadians if Quebec goes its own way politically. I find it highly unlikely that two such nations would be able to agree on a central bank issuing common currency and having a monetary union, as Lévesque mentioned in his New York speech, or that they would be able to agree to a common level of tariff. I am sure that the rest of Canada would not consent to giving a new nation of Quebec a veto over these kinds of matters.

An article some months ago by John Downs in the *Financial Times* points out the importance to Quebec employment of industries like textiles, clothing and footwear heavily protected with tariffs. Canadians from coast to coast, of course, pay for this protection when they buy garments and shoes in the stores. We in the maritimes have constantly been critical of the high cost of Canada to us because of the highly protective tariff in Quebec as well as in Ontario. Between them, Ontario and Quebec account for more than 80 per cent of the manufacturing output and employment in Canada.

According to a study by the Economic Council of Canada, about 37 per cent of the manufacturing jobs in Quebec and 27 per cent in Ontario are dependent on tariff protected sales to other provinces. We, like other Canadians, have reluctantly accepted tariffs as a means of keeping our fellow citizens in these jobs but, of course, there is no assurance that the political equation would be seen in the same terms if Quebec separated.

However, let us not underestimate the leadership of the Parti Québécois, who have among their members at least a couple of prominent economists. They are aware that the plight of many of Quebec's most vulnerable industries can only be solved by radical surgery, hacking out, as it were, the inappropriate sectors to make way for others of higher productivity. They might be reasoning that this operation would be better performed in circumstances where Ottawa, by shaping English Canada's trade policy vis-à-vis Quebec, would have to do all the dirty work and receive most of the blame.

I think if we were to underrate the possibility and the shrewdness of such manoeuvres, we would be making a big mistake. In any case the very nature of the separatist movement, based upon an old idea of independence, fed by a very strong emotional stream and bolstered by a charismatic leader like Lévesque, who is backed by probably the brainiest cabinet that now exists in any province of Canada, makes its followers rich in potential for self-sacrifice. An old endemic idea of independence, strongly backed by a torrent of emotion and a new found political power, must not be taken lightly by anybody who professes to love this country.

What I am trying to say is that what English speaking Canada must appreciate is that the Parti Québécois has managed to become the focus of the new pride of many French Canadians, their society and its achievements, and thus the calculation of gain from a particular constitutional system is going to be more than a matter of economic arithmetic. The Parti Québécois have, in fact, done what all colonized people, or people who have seen themselves to be colonized, have done: they have sought independence to give their colonists self-esteem. They will find, as others have found, that self-esteem can bring a high economic cost, but again I remind us all not to underestimate the potential for sacrifice in such a movement.

In the immediate months and years ahead, all of us in Canada must try to be wise and civilized to an extent that we may not have reached before if we want our national affairs to evolve toward a successful conclusion, instead of into the kind of strife that has done such unbelievable harm in places like northern Ireland, Cyprus, and Lebanon. In the ongoing debate, strident voices, in their zeal to defend Canada, or English speaking Canada, would do well to remember the fundamentals of good manners.

In this connection it was sad to hear the Leader of the Opposition (Mr. Clark), who aspires to be Prime Minister of this country, quoted as making the observation some months ago that he would not rule out completely the use of force to hold Quebec in Canada. My guess is that all thinking Canadi-

ans want the potential use of force to be completely excluded from the thinking and talking of all members of parliament and most especially aspiring prime ministers.

I think it is clear in the recent past that the Prime Minister (Mr. Trudeau), who in the 1960's made a valiant, well-intentioned effort to bridge Canada's two solitudes, to use that apt phrase coined by the Cape Breton born Hugh Maclennan in his novel of the same name, has been too inflexible in dealing with some of the constitutional difficulties as they relate to Quebec as a unique province in our Confederation. He has been inclined at times to hit Quebecers over the head with seemingly inflexible interpretations of the British North America Act. At the same time, in his well-intentioned bilingual policy his government has succeeded in alienating many English speaking Canadians by pressing bilingual policies in areas where English Canadians are in a very dominant majority, and by refusing to take constructive criticism, at least until recently, on how the bilingual approach might be radically altered for the future good of Canada. Admittedly, some of this criticism on my part is hindsight.

The Prime Minister seems prepared to gamble that the kind of federalism which he has always pursued can win a straight intellectual confrontation with Mr. Lévesque's idea of independence. But, as I have implicitly suggested, the fight may be more emotional than intellectual, and in that regard the Parti Québécois may well have the upper hand. I think it is important to point out that perhaps neither the independence as outlined by the Parti Québécois, nor the federalism as presently practised, responds to Quebec's needs.

Around the House of Commons it was constantly pointed out after the Parti Quebecois victory in Quebec that only 41 per cent of the people of Quebec voted for the Parti Québécois. The assumption is that only half of those who voted really wanted separatism. What this type of observation neglects to state is that none of the parties which contested the November election, including the provincial Liberals, favoured the kind of inflexible federalism traditionally expounded by the Prime Minister.

Whether or not the Prime Minister, or English speaking Canada, like the notion, Quebec's political leaders have moved away from that style of federalism in which Quebec is a province just like the others. I do not think that patriation of the constitution, or the whole question of the future of the constitution, should have the highest priority in the national debate now, but rather the debate should be on how to get over a million Canadians back to work in good jobs, and get rid of the AIB with the proper decontrol mechanism. However, what may be needed by the time Mr. Lévesque holds his referendum is some means to permit constitutional options, rather than extremes of separatism or the existing form of federalism.

● (2150)

On the nation's economic input toward the intensification of the Quebec separatist movement, the present government must be held responsible for the some 10 per cent unemployment that exists in that province. Probably at least 40 per cent of the young people in Quebec between the ages of 16 to 22 are suffering the effects of unemployment generated in large part by the failure of the present government's economic policy. This government has certainly managed to mismanage our national economy, and we in the Atlantic region and our fellow citizens in Quebec share the legacy of those policy failures as shown by our extraordinarily high unemployment. Little wonder that a tenured, separatist, professional elite at the University of Montreal and other Quebec universities, as well as teachers at the high school level, find willing ears amongst young Quebec students as they advocate their separatist ideas.

It seemed to be a most chastened and humble Prime Minister talking to us on national unity today in the House rather than the arrogant man who was telling us, as recently as last year, that separatism was dead in his native province of Quebec. As our leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), said earlier today, we in the New Democratic Party offer Canadians a positive option. This means a federal government committed to national programs aimed at cultural and economic equality, and political and economic independence for Canada.

The New Democratic Party underlines its determination to defend and promote the position of our official languages and the multiplicity of our cultures.

The NDP urges all Canadians to share this vision of a fairer, independent Canada, and to join with us in establishing the national policy priorities needed to overcome this present crisis.

Therefore, on this national unity question, our party has resolved: First, that while the NDP believes the people of Quebec have the right to make their choice without coercion, we strongly support a federal Canada and are confident that the majority of Quebecers will decide to remain within Canada.

Second, the NDP recognizes that some constitutional reforms are necessary but affirms that it is not by constitutional amendment alone that we will solve the national unity problem. We believe it essential for the federal parliament to maintain sufficient power for effective national economic policies to build a fairer, freer Canada. As one from the Atlantic region, I believe very strongly in this concept of our party.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) is seeking the floor on a point of order.

Mr. Dick: Mr. Speaker, I regret to have to rise on a point of order but I think this is a very important debate in which we are all participating, a debate which every member of the House should be able to throw his heart into and speak from his gut. According to Beauchesne's Fourth Edition, Citation 144, it is the rule of both Houses of Parliament that a member must address the House orally and not read from a written, previously prepared speech, because if the practice of reading speeches should prevail, members might read speeches that were written by others and take up the time of the House.

I have noted that each of the last four speeches has been read in the House. I think the rules should be enforced, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. I accept the hon. member's point of order. It has been a long standing practice of the House that speeches not be read and, as the hon. member said, made with "gut" feeling. The hon. member for Cape Breton-East Richmond (Mr. Hogan) was perhaps referring to notes. I am sure he will conclude his remarks, as the hon. member said, with "gut" feeling.

Mr. Hogan: I use the same kind of notes as the Prime Minister was using this afternoon.

Mr. Knowles (Winnipeg North Centre): And as the Leader of the Opposition (Mr. Clark) was using as well.

Mr. Rodriguez: I rise on a point of order, Mr. Speaker. Earlier today the leader of the hon. member who has raised this point of order read his speech from notes, and so did the Prime Minister this afternoon.

Mr. Knowles (Winnipeg North Centre): He had a full text which some of us had in front of us.

Mr. Rodriguez: An so did the hon. member for Kingston and the Islands (Miss MacDonald). If hon. members are allowed to stand up on points of order of this sort every time a Conservative member in the House reads his speech, we would be up constantly on points of order.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Cape Breton-East Richmond has the floor.

Mr. Hogan: The New Democratic Party rejects the current policies of the Conservatives and Liberals which would give more power to the richer provinces, a step which will balkanize Canada and provide for increasing disunity. With notes or without notes I can say that, my friend.

Third, the NDP reiterates its determination to defend and promote the position of both French and English, our two official languages, and the multiplicity of our cultures which enrich and strengthen our national fabric, and further recognizes that the existence of a bilingual Canada depends on the presence of a Quebec where the language of work is French, just as English is the language of work in most of the other provinces.

Fourth, that in implementing existing national programs, and in the development of new ones—

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe the hon. member is at the end of his speech. In view of the unfortunate interruption surely he should be allowed to finish.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): I think there was about a minute and a half of interruptions. Perhaps the hon. member should be allowed extra time.

Some hon. Members: Agreed.

Mr. Hogan: Thank you, Mr. Speaker, and I thank hon. members for their kindness in view of the inconsiderate interjection.

Fourth, that in implementing existing national programs, and in the development of new ones, the NDP stresses the importance of delegating much administrative authority to the provinces and affirms the need for the federal government, in co-operation with provincial governments, to devise new policies and structures that will respond more sensitively to regional needs and aspirations and permit the people of all regions and provinces to achieve their economic and cultural goals within one Canada.

Finally, fifth, that in continuing relationships between the federal and provincial governments an attitude of serious co-operation would replace that of confrontation which has characterized Ottawa's approach for the past decade.

Vive le Canada libre—long live a free Canada!

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I will abide by the rules of the House since I have no written speech before me. If it is so, it is because any member of the House who wants to participate in such a debate can recite a series of impressive statistics or rely upon a series of statements made by university people, newspapermen or perhaps even politicians; or else he can do as I decided to do, that is rely on personal impressions after having travelled throughout this country.

When we listen to the comments of many hon. members, we notice that words like: price to pay, 15 November. We hear stereotyped words which have come to sound like clichés, like in Quebec where we have developed clichés like sovereignty-association, special status, government of Quebec sole representative of francophones in this country. We have invented the expression cultural sovereignty. We were quite in advance in the making of some clichés.

On the other hand, the Anglophones, if cataloguing is allowed, were the staunchest champions of the cliché "What does Quebec want?" If in 1977 we still hear it, if in the minds of the people of Windsor whom I visited no more than two months ago, if in the minds of the people of Calgary where I was some four weeks ago, if in the minds of the people of Picton, and the minds of the people here and there throughout Canada, the question still persists "What does Quebec want?", I wonder just how in earnest the hon. members were, regardless of their political party, who voted and then fought for the Official Languages Act.

The Canadian reality, Mr. Speaker, appears to me to be something like this: on the one hand, we have a people that is

slightly surprised, and on the other, a people that is impatient; surprised because it is true that until 1962 the people of Quebec, probably because of the collective decision it made, had refused to become educated collectively. However, since Jean Lesage, since 1962, it can be said that that failing was remedied; and besides, up to 1962, we were not the only people in Canada who had not taken great advantage of a department of education. There were other provinces, whose names I shall not mention, in the very same situation. Now, the truth about the years 1967, 1968, and 1969 proves that in Quebec, in Canada, French Canadians are every bit as well educated; that French Canadians are as scientifically, technologically equipped as the English-speaking Canadians. The time has come therefore for the Anglophones to accept institutional bilingualism; not only must they accept the fact that 27 per cent of civil servants should be francophones, but they must also accept the French fact in this country not as a Quebec reality but as a Canadian reality.

● (2200)

Francophones must be recognized not only in government institutions but also at the Royal Bank. They must accept that there be as many anglophones as francophones with MBAs, that there is room for them in the pipeline projects, in Calgary, Edmonton or Toronto. Members of parliament on either side of the House must defend energetically these lofty principles but, as the Prime Minister was saying, they must sell their convictions in their own ridings and come to grips with the problems, but I fear that they do it halfheartedly. And that is not good enough, Mr. Speaker. It is true that national unity is necessary.

Quebec's independence would be as bad for English Canada as for French Canada. I think the two provinces that can least afford to separate are Quebec and Ontario. Together, these two provinces account for 75 per cent of the manufactured goods produced in this country. As far as Quebec is concerned, we make the other provinces pay our manufactured goods 10 per cent more than they would pay elsewhere. Ontario makes the rest of the country pay its manufactured goods 7.5 per cent more than they would pay elsewhere. Some people suggest that the cause of Quebec separatism, of Quebec frustration is an economic one, others submit that bilingualism was implemented in a way that was unacceptable, that a committee should be appointed to solve the problem. I say to you, Mr. Speaker, that since the coming of Pierre Elliott Trudeau, the Canadian who most ably describes the Canadian situation, those opposite have not yet grasped Canada's real problem, and appointing joint committees of the Senate and the House of Commons is sheer nonsense.

I am 100 per cent in favour of the suggestion made by my colleague from Portneuf (Mr. Bussières) that some sort of constituent assembly be established, with people coming from all parties in this House, all political parties in provincial legislatures, and representatives from municipalities, labour, universities and business. I feel that such a body would have many advantages. First, it would preclude any partisan views such as we have heard in this debate this afternoon. It would also have the advantage of truly involving the people in such a public debate.

I challenge 20 per cent of the hon. members to tell me what one fiscal point is worth in each province. People want a change. Nobody is satisfied with the status quo. Some chose the easy way out, that of urging decentralization, as this pleases everyone. My friends, if we decentralize as much as the Parti Québécois would have us, we would be compounding the problem. If we accepted that easy formula, with five provinces below the national average, we would be going against the basic principle of Canadian federalism, which is to fight regional inequalities. And yet, Mr. Speaker, no one seems able to give a precise definition of that easy solution of decentralizing. No one. Some people refer to the Central Mortgage and Housing Corporation, others to immigration, but it varies from one province to another and even sometimes the same man has different views as he changes locations. I, for one, think that the real answer, Mr. Speaker, is to gather a group of men who will do some research, who will first of all analyse the present formula of federalism, study all the announcements concerning the constitutional issue made by the greatest Canadian of all, Pierre Elliott Trudeau, since he became Minister of Justice in 1966.

They will see, and I am referring now to Quebecers, that one must make a distinction between French-speaking Canadians, the government which really represents them and the importance to be granted to the Quebec government. I believe that if we have French-speaking Canadians, whether from Quebec or elsewhere who are making a full contribution to this House, no provincial government can rightly pretend to be the only one to represent any minority or any majority in Canada. I suggest that provincial governments, and as long as we shall not be more specific in terms of language, Mr. Speaker, we shall tend to say, like some old colleagues or former provincial ministers who were standing as champions of this philosophy, that the Quebec government should defend French-speaking Canadians throughout the country. Well, I tell them: "You fell right into the trap." Since 1970 or as early as 1966, the Quebec government and even now Peter Lougheed have caught the germ.

When the federal government administers a jurisdiction in a way they do not like, instead of criticizing it, they say: "We will take over your jurisdiction." It is somewhat like a company where there are four partners who have invested the same funds. They assume different responsibilities at the beginning, but when they realize that one is slower than the others, they say to him: "Listen, you have the same privileges as ours, but we will take over your responsibilities." The three others are overburdened and everyone becomes less efficient.

The answer Mr. Speaker is to call those individuals together and advise them that in Canada some rights are not negotiable. The best way to deal with the problem is to include the amended legislation on the official languages into the new Canadian constitution. We must dedicate ourselves forever to the purposes of this government, to this level of government, to the equality of both languages, to the equality of both cultures. We must consecrate the basic principle of redistribution of

wealth and equality of men, whatever their sex, their language, their colour, before the law and institutions.

Having said that, Mr. Speaker, whether one is a French-speaking Quebecer, an English-speaking Ontarian, or a Zulu, as far as all the rest of the problems in Canada is concerned, I think that when it comes to the development of territories, economic problems, the solution may have pretty well the same name, whether it is in Vancouver or in Montreal. Mr. Speaker, if for that matter we had programs in this country to promote exchanges, to allow the people of Newfoundland who are more different from the people of Calgary than I am from a guy from Toronto, if we get programs so Canadians would know one another, understand one another better, I am convinced that it might not be necessary to discuss those problems of Canadian unity.

Well, Mr. Speaker, and briefly, I subscribe to the formula proposed by my colleague for Portneuf (Mr. Bussières) and since this government has a proposal or a motion in that sense, that approaches this proposal, I will support it without reservations. And when we see those people, the only question we will have to ask them, Mr. Speaker, will be this: In Canada, we have three levels of government—municipal, provincial and federal. Which one is in a better position to administer most effectively such or such a power? Let us stop seeing in magic and easy formulas the solution of tomorrow.

Mr. Speaker, we only have to think that we are facing in Canada the same problems as all industrialized countries in the world. The two main ones are energy and the economy. In the nine years to come, Canada will have to spend $120 billion in the public and private sectors in energy development. Only $10 million will go to the James Bay project, $4 million will go to the tar sands, and the rest of this sum will be spent in the Northwest Territories and the Arctic.

In all objectivity, can we think that it is possible to have ten or eleven energy policies in Canada? We are in a privileged situation in the economic sector while we are talking about unemployment and inflation, and in 1982 and 1983, according to the reports of the Economic Council of Canada and most economists in our universities, we will have to face some alternatives. Around 1985, our unemployment problem could become a lack of manpower. At that time, we will be able to re-orient our manpower to less efficient and less competitive sectors, and I believe that Quebec will benefit greatly if we can apply the strategy that our Minister of Finance (Mr. Macdonald) and our Minister of Industry, Trade and Commerce (Mr. Chrétien) are now developing and introducing. Mr. Speaker, if we state the issue clearly to these people on the basis of the interests of Canadian citizens rather than on the basis of the political partisanship of the various parties or of the various provincial governments, I believe that Canada and Canadians, whether they be French-speaking or English-speaking, will have a marvelous future.

I am thinking of people my age. This might be the last comment that I make this evening. For my part, I have never really suffered from what the English Canadians have left as a legacy of the Plains of Abraham. Perhaps I was brought up in a privileged environment? Perhaps I have something of an advantage? However, Mr. Speaker, I believe that it would be a good idea for young Quebeckers and members of the opposition to go see them like we, the Liberals, are doing. Young Quebeckers are open. They want to know who are their neighbours and their brothers from the rest of the country.

In concluding, Mr. Speaker, I shall repeat what I said in Picton about a month ago: When a Frenchman lands in Dorval, we have a tendency to tell him: Welcome, cousin! I can hardly wait for the day when the Anglophones of this country tell me sincerely when I come to see them: Welcome, my brother.

• (2210)

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, Gladstone said that if he were to make a speech of ten or 15 minutes he needed about six weeks' notice. My hon. colleagues will be upset to learn that I was told of my impending intervention very late. I think they should be glad that there is a time allocation on my speech.

Some people who belong to service clubs—I do not want to be unfair—sing of brotherhood on Mondays and tell racial jokes on Tuesdays. As we reflect on what we say in these days when we are thinking about national unity, I suppose we realize that we should be thinking about our country every day. Things might be said that are blunt and direct—and why should they not be—but which are in no case hurtful of any individual. It is in this context that I want to say one or two things about the country and what I think about it.

On Friday evening, July 1, 60,000 or 70,000 people stood in the rain outside this building on grounds that are a part of the complex of Parliament Hill, waiting to make a commitment by a national anthem upon which we are apparently still unable to agree. They wanted to make this commitment to Canada. In a way they were lucky, although I would not have traded where I was on July 1 for being here. I was in a smaller place, but where the evocation of Canada was just as strong in feeling if not in numbers.

Reflecting on those 60,000 or 70,000 people it seemed to me they were representative of all of us who could not be here. I think in a way parliament is a commitment—not really "in a way"—we do have a commitment to people who wait outside, outside in all places in this country. This is an institution that curiously watches other institutions of our country reform themselves, yet does not seem to be able to find a formula not only to cope with its own business but for a new constitutional arrangement for the country.

I heard a wise, new member of parliament say in caucus that she was uncomfortable with the "we/they" focus of some of the debate on unity. It was a curious and very sensitive observation. I think there is too much of the "we/they" going on in our country. As we debate our future can we not do it as Canadians, not good guys and bad guys, federalists and others, but as Canadians who in different ways and with different talents care very deeply about our country?

Some hon. Members: Hear, hear!

Mr. Fairweather: I suppose almost all of us—at least we say all of us, I have heard it endlessly since November 15—say that we do not opt for the status quo. If we do not opt for the status quo and if we use logic—I know that is dangerous—then we need some new arrangement.

I am going to flatter myself and some others who suggested some new arrangements to the government and to parliament. We tabled those suggestions in this House five years ago. It is interesting to see some of the suggestions made by a former joint committee after its travels across the country now having the character of imprimatur on government departments and secretariats. I hope, as we reflect upon the new committee, that some of the things the former committee did will prove useful as a frame of reference. The recommendations of that joint committee are impressively current and imaginative. A new committee could use them as the basis for a fresh examination of the issue.

Saul Bellow wrote a book entitled "Journey to Jerusalem". He mentioned the preoccupation of Israel was survival. As an artist and writer he felt some alarm that a country he admires was committing itself so totally to survival that all the other essential components for Israel were lost sight of. Although we can thank God that Canada does not have external threats, we obviously have internal threats. I hope that national unity does not become such an oppressive preoccupation of government that all the other attributes of citizenship are lost sight of.

A week ago when I asked a minister about a certain policy direction—I do not doubt his motives—he replied that national unity was the preoccupation of his department and that the particular decision I referred to would have to wait. Other questions flow from that answer. I warn colleagues that it will not be useful for our countrymen to engage in this debate if it becomes an excuse for inactivity on the part of government. There is a danger to Canada in this preoccupation with the theme of national unity, the danger that the theme will be used as an excuse to postpone other essential decisions governments must make. I will not list them because we are under a time constraint, but other members have spoken of questions in the economic, social and cultural sphere which await government action.

● (2220)

As the cabinet chooses the direction we are to take as a country, I hope it will opt for a population vibrant and alive as it was ten years ago, vibrant and alive in the way my leader mentioned and in the way it was during the phenomenom of Expo in 1967 on our one hundredth birthday. That will be one of the tests of the government. I hope the criterion by which we measure this test will be much broader than the government's mere responsibility to maintain national unity.

I have another comment to make. I am worried by some of the inward-looking aspects of this debate. What are people in the world thinking about this country, as we go about this agony, as we expose ourselves and our agonies to the world? One wonders if it matters. Personally, I believe very much that this country's survival matters to the world outside Canada.

If I may say so without presumption, during my public career I have looked at the pluses of democracy, so to speak. I remember what happened as Greece overthrew the colonels. We have watched in the last few months a remarkable transformation in Spain. First there was a referendum, then we saw a democratically elected government. No voter under age 64 had ever voted before in Spain. I allude to those two examples, and to India. Actually we saw another example of the negation of the rule of law yesterday in another Commonwealth country. Therefore I say we in this country have a kinship with those in the world on the side of democratic institutions. Those people care how we arrange our institutions, how we respond to this country's challenges, to see if we can find a way, with mutual understanding and good will, to make what I used to call a precious experiment. Then a friend said precious is not a good enough word; we must call it a noble experiment, because this country, make no mistake about it, is a noble experiment in sharing.

One of the elements of federalism is the sharing of powers. Crude people call it sharing the pie. One could use other examples; I hope I am not offending anybody. Perhaps somebody in this debate has talked about sharing the pie. "Pie" is not a bad metaphor. It means the pie of Canada. But there is another essential element, reconciliation. George Woodcock spoke about it in his little book about Canada, written at the time of the centenary. He spoke of the two elements essential to the working of a federal system, sharing and reconciliation. I am sorry to say I have seen little evidence lately in this country of the ability to reconcile.

There are, by latest count, only a dozen or a dozen and a half federal systems in the world. Perhaps the experts can confirm my figures. Perhaps the Minister of Transport (Mr. Lang) can. I am not certain of my figures, but I do not suppose there are more than a dozen or 15 federal states in the world. Those of us who believe in the federal system have a tremendous responsibility to show the world that the system works and is the best system for a country of the size and diversity of this one where more than one language is spoken.

Let me end on this note. Surely the language aspect of this debate has been immensely complicated by the fact that many in this country have not yet accepted another language as a learning experience. To many people other languages have been associated with emotional experiences, presumably because of fear or threats, or because of insensitivity in the application of the Official Languages Act, as my leader said.

I do not suppose my short contribution will be remembered, but it is on record, and nobody can do anything about that. I make a plea for this noble experiment, almost unique in the world of federalism, this noble experience we share with only a dozen or so other states, and it is this: let us maintain the two essential elements of the experiment at all times. Let us not have one versus the other, but both. Let us foster the ability of governments and people to share and to reconcile, for if those elements are missing our unity is in trouble.

● (2230)

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, it is an honor and a privilege for me as a member of this House to take part in this important debate on national unity. Is it possible to live together in Canada in each of our two large linguistic and cultural communities? Can each one be respectful of the rights, dignity and existential needs of the other? Is this not an important and basic principle in this country? Historically, for over a century, has this principle been reasonably respected? The negative answer to this question explains in part the present unrest in our Canadian society. Therefore, it has become important and indeed vital in order to correct this situation, to improve the way our Confederation operates, and to prevent the splitting of our country, to change some of our attitudes and offer a third option between separation and status quo.

I do not think I am being overnationalistic and on the contrary I believe I am being realistic and objective in laying the blame on the English speaking community in this country for not respecting, as it may and should have done, the French speaking community, in the course of this first century of Confederation. If English Canadians had agreed to treat French Canadians as equals, if they had dealt with them without a complex of superiority and if they had carried out with them a relationship based on respect and dignity all over this country and in all areas of human endeavour we would not be witnessing today the withdrawal on its own territory of a people, a dangerously high proportion of whom, now believes that it is the only way to preserve its language, culture and community and we would not be facing today this threat of assimilation of the French speaking minority outside Quebec into the English speaking Canadian melting pot.

If the West had been more receptive to the efforts and representations of my right honorable predecessor as representative of the Drummond constituency in the House of Commons, Sir Wilfrid Laurier, who having later become prime minister of Canada, pleaded the French Canadian cause in the newly formed provinces of Alberta and Saskatchewan and if Manitoba had not literally eliminated the language of its pioneers by banishing French from its schools, courts and legal books, if Ontario had refrained from forbidding the use of French in the schools of its minority who at the beginning of the century numbered in the thousands! If in the Maritime they have earlier given full recognition to the important French-speaking minority by officially acknowledging the French language and culture, giving people full access to all levels of education in their mother tongue, in other words, if our two communities outside Quebec had coexisted on equal terms, if only they had coexisted!

It seems to me that the frustration of French Canadians is well justified when we consider the privileged lot that the French-speaking majority in Quebec reserved at that time for its important English-speaking minority which, in addition, always dominated on the economic level. And recently, the no compromise attitude of the CALPA and CATCA concerning air bilingualism, and the defeatist attitude of Donald Creighton who said "No more concessions" to Quebec certainly do not contribute to improve the situation. If on one hand some changes in attitude and mentality are needed, and they are justified by the historic background that I just depicted, fortunately we now see evidence of those changes, on the other hand the fact that a majority, a part I should say of the present French-speaking community is prepared to forget all about Canada seems to me basically unfair and inappropriate, for their ancestors as well as for their descendants, for themselves and for their fellow citizens who want to maintain the unity of our country. Our forefathers gave us examples of fight and courage, not of defeat. What an insult to those who have built and protected this beautiful and great country if we let go a large part of territory with all its ressources and if we let our French-speaking brothers and sisters outside Quebec alone to defend their cultural and linguistic heritage. What a denial of justice to our children who have a right to those huge material and cultural resources which we will abandon on their behalf without their authorisation. What a shame if we were to deprive them of the noble right to realize themselves the great challenge of diversity when they attain their majority.

Most young people see the world and things around them in quite a different way. Those young people openly express in many ways that they disagree with the value system generally accepted by our generation. They reject materialism and they often renounce the comfort to develop nature worship. They believe in a better world where there would be more room for fraternity, social conscience, love, liberty and peace.

Can we spare them the scandal of this useless ravage of a country in an affluent society and in the eyes of a world far more complex to whom it is repugnant to show this example of a social failure? For those who might be tempted to separate, what masochism! Why give in to frustration in a reaction so exaggerated that it might deprive them not only of an invaluable good but, as well, in the present state of affairs, would gain them the qualification of renegade? Are not the French Canadian people a hard working, tenacious and courageous people? Is it not prepared to share since its generosity is proverbial? Does not its great jovial humour make it one of the most sociable? Does not its prudence incite it to let someone else bear the burden of the proof of a better condition, those who, through interest or opportunism, want to break the country to try and create another one?

And what treason, Mr. Speaker, in respect of all French Canadians in Quebec and in other provinces who chose to work towards the achievement of equality of our two linguistic groups, within the federal government or outside it, while respecting Canadian unity! Why abandon the remarkable work of the Trudeaus, Marchands, Pelletiers and others?

The courage French Canadians have shown through difficult times and the measure of success they have met with in Ottawa and elsewhere over the last 10 years in particular warrant us to persevere, to believe in our fulfilment and to strive for it in harmony with our English-speaking fellow Canadians. The important thing, therefore, as the distin-

guished Secretary to the Cabinet for Federal-Provincial Relations, Gordon Robertson recently pointed out, is that our two communities really make it their goals to promote the co-existence of two languages and various cultures in this country in a climate of mutual generosity and complete equality".

As I said before, Mr. Speaker, I must emphasize the fact that attitudes have to change and a better understanding must develop between French-speaking and English-speaking Canadians if this country is to be kept united and that is possible! But I feel that we would be deluding ourselves to think that those changes of attitude so long overdue would be enough. The preservation of national unity also calls for a renewed federation: the anglophone community must agree wholeheartedly to such changes which will adequately protect and fully promote the French language and culture in Quebec. Moreover, all Canadians must soon accept the necessity of providing all minority groups, from everywhere in Canada, with the best guarantees possible ensuring them equal status and development opportunities.

● (2240)

In this spirit, Mr. Speaker, why not at the same time bring our constitution back unilaterally and make an official declaration of principle through a joint resolution of the Canadian Parliament and Senate? Having exclusive control over our own constitution, would it not be a symbolic affirmation that has now become timely and necessary? How long do we still have to wait uselessly to get out of what our Canadian Prime Minister (Mr. Trudeau) properly calls a "constitutional impasse that has frustrated governments of all political persuasions, both federal and provincial, for nearly 50 years"? Would it not be time to put an end to a unique and hardly enviable distinction of our country, that is the need to go before the British Parliament, the Parliament of another country, to change such and such basic aspect of our constitution?

But there are priorities of a less tangible kind that are important when human societies are buffeted by the uncertainties and the attacks on confidence that we find in the world of today. Affirmations of national will and indications of collective determination to renew and strengthen faith in structures and in values that unite people are symbolic, but they are important. Such a symbolic affirmation occurred, I think when the Parliament of Canada adopted our national flag. Does anyone doubt it has strengthened our sense of being "Canadian" or of being united for important purposes? A similar symbolic affirmation could occur if we were seen to attest our faith in our form of government by ending a defect that has flawed it for decades. We should not be seen constantly to be failing as a people in a matter that relates to the central structure of our national fabric. In short, it is well worth some attention from this parliament to conclude this long outstanding piece of national business.

This is the idea expressed by the right hon. Prime Minister in the House on April 9, 1976, before the election in Quebec of a government committed to independence or separation. In view of this acknowledged objective of the PQ government, the unanimous consent of the provinces on an amending formula for the constitution seems to me illusive before the referendum they promised to hold has taken place.

It is evident that in the circumstances this unilateral patriation would not be done in a way that could bring changes in the distribution of powers or in the position of the provinces. Speaking about the unilateral patriation of the constitution, the Prime Minister of Canada said that if unanimous provincial consent is impossible to achieve "it must not provide any means by which Parliament could act unilaterally in future in any area where it cannot do so today since that would erode the essence of our federal system". We will have to accompany the unilateral patriation with a temporary amendment formula providing for unanimous consent to change sections of the constitution which cannot be changed now in Canada without the unanimous consent of the provinces, while waiting to find more flexible and more comprehensive means to amend our constitution: this would result in the fact that a principle centred in London would be replaced by the principle of consensus in Canada.

We would have to take the advantage of the procedure concerning this unilateral patriation of our constitution to reaffirm clearly in a formal declaration of principles the undertaking of the Canadian Parliament and of the Senate, while exercising their power under the constitution, first to avoid any action likely to jeopardize the maintenance and development of French language and culture, and to take all possible means to preserve and develop it; second, to avoid any action likely to jeopardize the equality of status and the opportunities for development of minorities in Canada, and to find out all possible means to preserve the same equalities; third, to promote the same opportunities for all people who live in Canada, to ensure their well-being and to encourage economic development in order to reduce social and financial inequalities between people, wherever they live in Canada.

This federal declaration of principles, Mr. Speaker, accompanying the unilateral patriation of our constitution, would thus clarify the intention of the Parliament and the Canadian Senate concerning the rights of French-speaking people, minorities, individual freedom and regional disparities in Canada. This clear and official declaration, accompanying the great symbolic affirmation of our constitution patriation, would influence and induce those attitude changes I have already mentioned and which are so desirable, even necessary for Canada's survival.

Mr. Speaker, in concluding I humbly suggest that my proposition, if implemented, would have the effect of paving the way for the two essential conditions for the safeguard of the Canadian unity: changing our attitudes and our institutions. Indeed, they would first enable us to influence and induce attitude changes, the feelings and magnanimity needed by our two linguistic and cultural communities so they can realize a great common goal: co-existence in conditions of reciprocal generosity and complete equality. And secondly, it would also offer a third alternative besides separation and status quo, in giving rise to a symbolic act of affirmation

without precedent, accompanied by a firm declaration of principles, thus creating the opportunity to revise our constitution here in Canada so we could make changes in it which would satisfy the legitimate aspirations of the French-speaking people of Quebec, of minorities all across Canada and of individuals in all areas.

That is, Mr. Speaker, my humble contribution to this great debate on national unity.

[*English*]

Mr. Leonard C. Jones (Moncton): Mr. Speaker, discussions on the subject of national unity have taken place certainly in this nation for the past 120 years. In most cases, these discussions have centred around what could and should be done to keep Quebec happily in the union. Many have suggested adjustments to the constitution while others have felt that an entirely new constitution is in order. Aside from the numerous conferences and propaganda being distributed promoting national unity, members of parliament have, for the most part, discussed this topic in their constituencies. But truly, what good have all these discussions and talks done?

The situation has gone to the extent that even Canadians from the extremities of this country—east and west—are considering thoughts of their own independence. But here we as members of parliament sit, further discussing an issue that has already been used and abused, thinking to ourselves that maybe in some small way we are aiding the situation when, in actuality, we should be waking up to reality and realizing that our discussions are not even going to influence the situation. The unity of Canada now is up to Quebec.

Since 1963 the federal government has been attempting to court the province of Quebec, first of all by establishing a royal commission on bilingualism and biculturalism and empowering it to recommend ways in which Canadian confederation could be developed "on the basis of an equal partnership of the two founding races." The wholesale revision of the language clause, section 133, in the British North America Act, which the commission recommended in order to extend the legal limits of bilingualism, failed for the simple reason that the province of Quebec vetoed it. And to quote a well-known Canadian historian who has already been quoted today:

—despite this crushing disappointment, Parliament tried to carry out as many of the Commission's recommendations as it was constitutionally capable of doing. It passed the Official Languages Act which established federal bilingual districts wherever the minority official language was equal to, or more than, 10 per cent of the population. It appointed the Commissioner of Official Languages and began an officious attempt to promote bilingualism in the federal civil service. The English speaking provinces, impressed with all this federal business, started to enlarge the place of French in their school systems.

But the results have not been cheering. This historian goes on to say:

The results were certainly mixed and doubtful. Bilingualism in the federal civil service cost vast amounts of money, produced negligible results, and aroused angry resentment among English speaking bureaucrats. The office of the Commissioner of Official Languages was soon crowded with a robust army of dedicated snoopers and the Commissioner himself appeared to think that his most important public duty lay in abusing and hectoring English Canadians for their neglect of a language only an infinitesimal minority would ever have the occasion to use. The bilingual colleges had the tendency to remain only theoretically bilingual and the French total immersion courses in the schools did little more than deepen the illiteracy in English with which pupils tried to enter the universities.

As I listen to the speeches here today I am amazed at some members who seem to have their heads in a bucket. Certainly none of us really wants Canada to be divided like a piece of pie. Certainly this country is worth saving and worthy of our loyalty. But the fact which most of the members here today do not realize is that the federal government—and members of all parties are to blame—has allowed the decisions in this country to be made by one province, one province that is a nation unto itself.

What more can we do to appease this province now? Quebec alone received the greater part of the budget of the Department of Health and Welfare. For the year ending 1976 about 50 per cent of the DREE grants went to the province of Quebec. The minister of justice for the province of Quebec now wants, I believe, about $11 million in return for assistance which the Montreal police have given the RCMP. Just this last week the federal government spent $3.5 million on what was called Canada Week in an attempt to unite the country. It is indeed all well and good to want to keep this province in the geographical union of Canada as we know it today, but I would not think that this should be done at the total expense of the other provinces which wish, desire, and want to stay in this union voluntarily.

● (2250)

Absolutely no attention seems to be paid to the other provinces. Quebec is becoming a spoiled child—not a prodigal child but a spoiled child. Nowhere in Canada is the unemployment rate as high as in the Atlantic region, but what has the federal government done about this reality? It has merely continued to pour money into its favourite charity—Quebec. And what has the province of Quebec done to thank the federal government for its undying donations? It has introduced bill 1. It has as much as spat in the eye of its benefactor, the Parliament of Canada. Bill 1 is the only document ever produced which preaches the antithesis of the bilingualism program and the antithesis of democracy so eloquently.

The federal government and its programs are being totally ignored by the province of Quebec except, of course, when it is on the receiving end. So why should we continue to give and continue to coax a province to be in the union if it has no will to be there?

Quebec's new language bill states specifically that the language of business in that province is to be strictly French. There is to be no bilingualism there. Is this then not going to hamper the operation of federal government business in that province? The Government of Canada seems willing to ignore these factors. While ignorance may be bliss in the short term, it certainly cannot be the rule in the long term. Something must be done to halt the actions of Quebec, whether it is by disallowance of the bill or in some other way. Bill 1 is causing major inequalities for many Canadian citizens, not only in the province of Quebec. For example, to prevent the use of English public signs, to forbid the use of an English corporate name in

the province, and to forbid a local community from determining whether its local democratic institutions, such as town councils and schools boards, should use English as well as French in their proceedings and their administrations—these are real and important denials of liberty.

The people of Canada are wondering how the federal government can ignore such inequalities in its midst. But then, a quick journey to Parliament Hill would instantly make one realize exactly what is going on in this country.

It is becoming increasingly difficult to be served by the ranks of the support staff on the Hill in the English language. Food is served in French, photostating is done in French and, excluding the secretaries, it is not stretching the facts to state that 79.9 per cent of the support staff on the Hill are of French origin.

In most cases these people are hired as bilingual staff regardless of their qualifications. Somehow the term bilingual has been grossly distorted. And may I also say for the Prime Minister's (Mr. Trudeau) benefit that the term "linguistic equality" has also been misused in the hiring practices on the Hill.

To me, if a person cannot say "potato" in English, they can hardly be considered as bilingual staff in a restaurant. But the personnel branch on the Hill does not feel that way. This in itself would indicate who is being discriminated against.

It is time that the federal government started practising what it preaches. If it wants language equality, then it is time that fairness and equality were promoted right down the line, fairness in hiring, and fairness in the allocation of federal government funds.

But instead of promoting fairness and straightening out the bilingualism and the Quebec mess, the government chose to issue yet another statement under the name "A National Understanding". The preface to this booklet, which was delivered to all our offices, states:

> . . . the government wishes to emphasize that the official languages policy is not, and never was, intended to be a cure-all for all the problems of national unity.

The preface goes on to abridge the problems in our country today but states that:

> . . . breaking in on them are our continuing problems of language. They are the most acute issues facing us, as the events of the province of Quebec have demonstrated.

This does not seem to be a logical statement to me. How can people of any country rationally decide on their country's future when they have no jobs and no money?

It is obvious that the Prime Minister, for some reason or another, has taken the defeat of the Liberal party in Quebec to mean only a vote for separatism. This is a wrong assumption indeed. The people of Quebec voted for what they thought was better government and better economic policies, and this is what the people of Canada want today. I am not sure whether the people of Quebec realize what they got or got what they want, but it is our unemployment situation over and above all the other problems in this country which is most important. Instead, the Quebec situation is being used as an excuse to ignore the problems of dissatisfaction with the unemployment situation. I suggest that at this time the problem of national unity is really a red herring to cover up matters of unemployment, inflation, and other serious crises.

The recently issued statement on the government's language policy does not even mention the inequalities inherent in Bill 1. The statement is full of generalities in bold print, but when one reads the finer print one can easily deduce that the government is in full agreement with Quebec policy.

The federal government has finally admitted that the place to teach the two official languages is in the schools, but its interpretation of the school system and who should be allowed into certain schools is definitely stilted. I would like at this point to quote a typical paragraph from the booklet entitled "A National Understanding", which, incidentally, makes no sense at all. However, this is in relation to the school system in our country, and it reads as follows:

> In any event, the federal government asserts that it is incompatible with the unity of Canada that Canadian citizens should be able, when they move from province to province, to send their children to schools where they are taught in their own language. The government believes that necessary facilities should be provided, wherever they do not exist, for people moving from the province of Quebec to other provinces, and that they should continue to be provided for people moving from other provinces to the province of Quebec. In both cases, the federal government recognizes that there will be particular situations where this will not be feasible. But the principle remains.

The Acting Speaker (Mr. Ethier): Order, please. It being 11 o'clock p.m., this House stands adjourned until tomorrow at 2 o'clock p.m., pursuant to Standing Order 2(1).

At eleven o'clock the House adjourned, without question put, pursuant to Special Order.

END OF VOLUME VII